



Posted: Friday, March 09, 2012

NOTICE AND CALL OF THE REGULAR MEETING OF THE TRINIDAD CITY COUNCIL

The Trinidad City Council will hold its first regular monthly meeting on
WEDNESDAY, MARCH 14, 2012 at 7:00 PM
in the Town Hall at 409 Trinity Street

- I. **CALL TO ORDER/ROLL CALL**
- II. **PLEDGE OF ALLEGIANCE**
- III. **ADJOURN TO CLOSED SESSION – *No closed session scheduled.***
- IV. **APPROVAL OF AGENDA**
- V. **APPROVAL OF MINUTES** - February 08, 2012 cc
- VI. **COUNCIL MEMBER REPORTS, INCLUDING COMMITTEE ASSIGNMENTS**
- VII. **ORAL STAFF REPORTS** - Specific Department Reports, Planning Commission
- VIII. **ITEMS FROM THE FLOOR**
(Three (3) minute limit per Speaker unless Council approves request for extended time.)
- IX. **CONSENT AGENDA**
 1. Staff Activities Report for February 2012
 2. Acceptance of maintenance responsibility for flowering trees along city streets from Garden Club.
 3. Proclamation 2012-02: Celebrating Girl Scouts 100 year anniversary.
 4. Submit 2012 grant applications to the Humboldt County Indian Gaming Benefit Committee
 5. Submit PARSAC grant program application to develop ADA compliance program
 6. City of Trinidad Pavement Management Program Report
 7. Authorize the City Manager to sign a revised Green Diamond California Timberlands Master Land Use Permit for the Luffenholtz Creek Sediment Reduction Project.
 8. Resolution 2012-02: Requesting an increase in ARRA grant funds for Town Hall furnace replacement project.
- X. **DISCUSSION/ACTION AGENDA ITEMS**
 1. 2010-2011 Audit Report – teleconference with Auditor begins promptly at 7:30pm
 2. Update/Discussion regarding Treasurer's Report & mid-year Financial Report. (continued from Feb.)
 3. Discussion/Decision to reconsider Event Host requirement for Town Hall events. (continued from Feb.)
 4. Discussion regarding consideration of Sales Tax Rate Extension.
 5. Discussion/Decision regarding Tribal Membership on HCAOG Board.
- X. **COUNCIL, STAFF, or PUBLIC REQUESTS FOR FUTURE AGENDA ITEMS**
- XII. **ADJOURNMENT**

APPROVAL OF MINUTES FOR:

FEBRUARY 08, 2012CC:

Supporting Documentation follows with: 6 PAGES

MINUTES OF THE REGULAR MEETING OF THE TRINIDAD CITY COUNCIL
WEDNESDAY, FEBRUARY 08, 2012

I. CALL TO ORDER/ROLL CALL

- Mayor Bhardwaj called the meeting to order at 7:00PM. Council members in attendance: Morgan, Miller, Bhardwaj, Davies, Fulkerson.
- City Staff in attendance: City Clerk Gabriel Adams, City Manager Karen Suiker, City Attorney Andy Stunich, TPW Director Bryan Buckman, City Engineer Rebecca Crow and Steve Allen.

II. PLEDGE OF ALLEGIANCE

III. ADJOURNMENT TO CLOSED SESSION

1. Government Code section 54956.9(b)(3): Pending Litigation
2. Government Code section 54957: Personnel Review

IV. RECONVENE TO OPEN SESSION

Nothing to report. No action taken.

V. APPROVAL OF AGENDA

- Read Engineer Proclamation aloud.
- Cherry Tree presentation moved to end of agenda.
- 10:30pm deadline established. Any remaining items postponed to next meeting.

*Motion (Fulkerson/Davies) to approve the agenda as amended. **Passed unanimously.***

VI. APPROVAL OF MINUTES – January 11, 2012 cc

*Motion (Fulkerson/Miller) to approve the minutes as written. **Passed unanimously.***

VII. COMMISSIONERS REPORTS

Miller: Attended CNM Gateway Meeting. Discussed stormwater management project. Also reported on a successful start to this year's crab season. Planning and coordination between pier contractors, the Rancheria, and the fisherman was successful. Yurok Tribe is developing a visitor center. Marine Lab remodeled, and is considering a proposal to improve the entrance of the facility.

Fulkerson: **RREDC:** Announced that Gregg Foster is leaving RREDC for a position in the private sector.

Bhardwaj: Attended Tribal Council meeting at the Rancheria. Presentation was given by City Engineer Steve Allen on the scope of work for upcoming stormwater management project.

Davies: Nothing to report.

Morgan: OES report on upcoming Tsunami drill, and 2-way radio system testing. Also attended HCCVB meeting at the Eureka Zoo, and met with Land Trust members who are still working to secure the Trinidad Art Gallery property.

VIII. STAFF REPORTS

Karen Suiker – City Manager

- Summarized staff report included in the Council meeting packet.

Richard Johnson – Planning Commission Chair

Regular meeting scheduled for the 15th of February has been rescheduled to February 21. Will be discussing Trinidad Head Trail maintenance, and a remodel project on Underwood.

IX. ITEMS FROM THE FLOOR

Jim Cuthbertson – Trinidad

Informed the public that the price of propane varies between local delivery companies and that customers should check prices. They may have less expensive options.

X. CONSENT AGENDA

1. Acceptance of maintenance responsibility for flowering trees along city streets from Garden Club.
Postponed to next meeting.
 2. Proclamation 2012-01; Engineer's Week February 19th through 25th, 2012.
Mayor Bhardwaj read the Proclamation.
 3. Stormwater Management Improvement Project update.
*Pulled for discussion. Motion Fulkerson/Miller to approve consent item 3. **Passed unanimously.***
 4. Update/Report on Prop 84 Implementation Grant Application
*Pulled for discussion. Motion Fulkerson/Miller to approve consent item 4. **Passed unanimously.***
- *Motion (Fulkerson/Miller) to approve the consent agenda as amended. **Passed unanimously.***

XI. AGENDA ITEMS

1. Public Hearing on Water Rate Increase & Consideration of adopting Resolution 2012-01; Amending Fees and Charges for Water Service.

City Manager Karen Suiker explained that the Council has discussed various water rate scenarios over the last several meetings, and at the December, 2011 meeting, approved a proposed change in monthly water rates and directed staff to issue a Notice of Public Hearing to be held February 8, 2012 on the proposed water rate increase. A copy of the notice sent to all property owners and water customers is attached. At this public hearing, the council is to consider all protests against the proposed new rate structure, and if written protests are presented by a majority of the affected properties, the proposed rate change cannot be imposed.

As a reminder, the proposed rate structure approved by the Council will generate approximately \$50,000 through increased rates and provides for a uniform block rate with a \$40 monthly base and a 25% out-of-city differential, and a 2.5% annual increase to account for inflation.

Action proposed tonight is to:

1. Open the public hearing and hear all public testimony regarding the proposed rate increase and accept protest ballots.
2. Close the public hearing and direct the City Clerk to complete tabulation of the ballots, including those received during the public hearing (or continue to a future meeting to finish tabulating the ballots); and
3. If there is not a majority protest, adopt Resolution 2012-01 Amending Fees and Charges to be effective on the next billing cycle.

Council questions included:

Bhardwaj: Reminded the audience to respect the forum, not react out loud, and let everyone be heard without reactions.

Morgan: Can the rates be adjusted tonight even if there are not enough protest votes? Or will that disrupt the 218 process? Suiker stated that it would be safe to proceed if the dollar amount was adjusted, but not if the differential is changed.

Fulkerson: Confirmed with the City Attorney that there was no way around the Prop. 218 process. **Stunich** explained that the process is mandated by the State Constitution. **Fulkerson** asked TPW Director Buckman how old the water lines are. **Buckman** explained that the main lines were installed in the 1970's.

Public comment included:

Jim Cuthbertson – Trinidad

I agree that the increase is necessary. However, the city should be using its surplus when needed, not increase the rates. Also opposed to the automatic annual increase. Rates should only be increased when necessary.

Pat Morales – Trinidad

I received a flyer from Councilmember Morgan asking for my signature to protest the rate increase, and that he signed it as a conservation-minded Councilmember. She argued that he still does laundry at his B&B despite that he doesn't have permission to do so, and accused him of being unethical.

Dick Bruce – Trinidad

50% increase is extreme. Is it possible to spread this out over a 2 year period? Criticized the Council for considering spending money on studying the feasibility of a round-about at Edwards and Trinity.

Janine Volkmar – Trinidad Area Resident

I've been attending Council meetings for many years, and heard all the water rate discussions. The differential is unethical. Residents outside the city limits have always paid more. Why? Water is not a choice of lifestyle, it is a basic need. I don't mind paying a higher rate, but I don't want to pay a *different* higher rate.

Paula Levine – Trinidad Area Resident

I live on Mill Creek Lane, paid a much higher connection rate, and pay higher monthly rates. Received the public notice, shared some calculations with the Council. Submitted the calculations in a letter on file with the City Clerk. Proposal favors equal rates for all water customers.

John Spyropolous – Trinidad

Don't like the sneaky tactics. It's unfair for the Council to proceed. I vote NO for any water rate increases.

John Walker – Trinidad

Rancheria resident. I don't drink the water. There's too much chlorine in it. Oppose the increase.

Kim Tays – Trinidad

Too high of an increase. People think that we're rich just because we live in Trinidad. Not true. I will support an increase if the water plant is audited and is running effectively, and proof is given that delinquent accounts are being handled, not written off.

Council comments included:

Miller: It may seem that we don't listen. We do, and we hear you. I've seen politicians take positions on subjects counter to their political views or platforms. We need to increase water rates. I've been persuaded that \$50,000 additional revenue is needed. We listened to hours of testimony - 6 meetings, and discussions going back to 2009. 2 main issues: \$50,000, and rate differential. If I'm on the Council when this issue comes back to the Council, I will vote for zero differential. I hope this process lasts at least 3-5 years. If you don't like my opinion on this, vote me out of office, please. I do respect Councilmember Morgan. If we replaced \$20,000 worth of main pipeline next year, it will get us 400 feet of 15 miles of infrastructure. Passed out a document with budget assumptions for 2012-2013. Explained that expenses related to City Engineer was there to leverage grants that would generate much needed revenue to meet compliance standards. Complimented the staff, confirmed that the budget is tight and efficient, and the difference split by the Council is the best possible solution at this time.

Morgan: My numbers came out differently. I pulled out budgeted amounts for City Engineer to reduce the impact of new rates. City Engineer expenses can come from surplus and don't need to be recovered by rate payers. I think it's a better way to go than such high rates.

Fulkerson: The connection fee to Humboldt Bay – feasible or not – is far more than our small communities combined could afford. Our job as Councilmembers is not fun. We haven't been "sneaky" and shouldn't be "ashamed" of anything. We don't receive any personal benefit to raising our own water rates. We are doing it because we listened to our brilliant staff members and have Councilmembers with great skills and talents. 4 of us voted in favor of the proposal. I wanted more consequences for high users. I could have voted against, but voted yes in compromise. I can't vote on my personal interest. I vote in the City's best interest. People maintain their homes, and the City needs to maintain its water system.

Davies: We've had many long discussions about this. If we adjust the rates in the future, I hope we reduce the differential. If we have problems with our water system, it will affect our property values. This is a compromise. I'm not a politician. I'm just doing my civic duty. I'm not sneaky and have nothing to gain. I feel my decision to approve the current rates is in the city's best interest, certainly not to harbor any political ambition.

Bhardwaj: 90% of water systems throughout the U.S. have been given a grade D for infrastructure by the ASCE. The Fed's have helped pay for small water system upgrades, but not anymore. It is not the rate payer's burden. I ran for Council to help the city stay fiscally sound. It's not wise to allow infrastructure to deteriorate. Janine misquoted me. I do care. I can't consider anything less than a \$50,000 increase. It would be irresponsible to approve anything less. System maintenance and ensuring financial health of the City's enterprises are my priority.

Morgan: I was ashamed because I thought we could have done a better job listening to the public.

Suiker: Confirmed that the 2.5% increase can only be applied for a maximum of 5 years.

Motion (Fulkerson/Miller) to adopt Resolution 2012-01 Amending Fees and Charges to be effective on the next billing cycle. Motion passed 4-1. Morgan – No.

2. Discussion/Decision to renew City Manager Employment Agreement.

City Manager Suiker explained that the renewed employment agreement has been approved by the City Attorney and continues as the current employment agreement with a 2% salary increase as was granted other city employees at the time of budget adoption. The term of this agreement, which provides for a City Manager work schedule averaging 21 hours per week, would be from March 09, 2012 and lasting until March 08, 2013.

Public comment included:

John Spyropolous – Trinidad

Questions about contract terms and salary. **Suiker** explained that the salary is equivalent to \$61,612/year plus a \$600 cell phone reimbursement.

Patti Fleschner – Trinidad Area Resident

The city is getting a bargain. Karen is an incredible asset to the community. **Richard Johnson** agreed.

Council comments included:

Fulkerson: Millions of dollars are flowing through Trinidad from numerous projects. The manager has a lot of responsibility. Keep in mind that this contract does not include any severance pay. This is highly unusual. It's typical for city managers to have at least 6 month severance in their contracts.

Miller: We are so lucky to have Karen. She's an asset bringing great skills to the city. The salary is modest relative to the service we get from her.

Morgan: Karen saved Trinidad thousands of dollars by adjusting so quickly to the ARRA grant denial crisis. She's worth every penny she earns from the city.

Motion (Miller/Fulkerson) to approve the renewed City Manager Employment Agreement. Passed unanimously.

Council took a 5 minute break.

3. Discussion/Decision regarding Van Wycke Trail closure.

Councilmember Fulkerson recused herself from this discussion item.

City Manager Suiker explained that considerable efforts have been directed at evaluating options for the repair of the failing Van Wycke Trail. In April 2011 Winzler & Kelly presented a feasibility report that outlined various repair options ranging in probable costs between \$120,000 and \$240,000 depending on the repair option selected. A geotechnical investigation was commissioned and recently completed that recommended a soldier beam and lagging retaining wall as the most viable option from a stability and constructability standpoint, which has a potential cost of about \$240,000. Other potential fixes could be more economical to construct in the short term, for a cost in the neighborhood of \$100,000, but ongoing movement of the trail would still be expected to occur requiring additional repairs in the future. The bottom line following extensive survey and review, is that there is no reasonable solution that could be implemented for close to \$25,000 as the council was hoping.

Suiker further explained that the trail is a convenience but there are other alternatives to access the same area served by the trail. The existing utilities under the trail are also of concern, and the water main located behind the existing retaining wall will remain at risk given the bluff's instability. For this reason, staff is evaluating options and probable costs to replace or install an additional parallel pipe in Edwards Street to assure adequate water service for fire protection purposes in the event that the Van Wycke water main is damaged or abandoned.

Council questions included:

Bhardwaj: Is it possible to receive grant funds for this project? **City Engineer Steve Allen** suggested that it was highly unlikely given the conditions.

Miller: Could we consider a constructing a bridge over this section of the trail?

Davies: The trail is not dangerous. There are other trails within the Trinidad system that are far more dangerous. It's ridiculous that the sign says the trail is "unsafe". I suggest staff look into reducing the signage to "Trail Not Maintained", and open it back up.

Public comment included:

Tom Odom – Trinidad

Is it feasible to use grant funds for the water line repair?

Kim Tays – Trinidad

I use this trail frequently. What is the liability of sending traffic down Edwards Street? Is it worse than sending them down Van Wycke? Please keep the trail open.

Julie Fulkerson – Trinidad

I see how many people enjoy the trail. It is a pleasant route that deserves attention. Could we turn to HSU Engineering students for a creative solution? A more permanent sign identifying user risk would be preferred.

Victoria Sackville – Trinidad

The Van Wycke Trail is inspirational. There's no doubt that the bluff is slipping and should be taken into account when planning to maintain the trail and keeping it open to public use.

Council comments included:

City Engineer Steve Allen explained that even the most expensive option will not be permanent. It's not urgent, but the city should definitely consider relocating the water main and other utilities in the area.

Miller: We need to explore options that keep pedestrians traveling this route, but also limit liability exposure in the short-term. **Bhardwaj** agreed.

Davies: The bottom of the lighthouse trail washes out every year, but wasn't closed. This trail is not dangerous, period. Let's figure out how to sign it in a way that identifies user risk, keep it open, and search for options to relocate the utilities.

By consensus, the Council agreed to allow TPW to make minor repairs and staff to develop appropriate signage based on guidance from risk managers.

4. Update/Discussion regarding Water Plant Improvements.

City Engineer Rebecca Crow explained that the agreement with GHD to finalize the design, complete permit applications and environmental documentation, and provide a technical, managerial, and financial assessment for the City's water system improvement project was approved by the Council on October 12, 2011. She also explained that the project intends to address the following Safe Water Drinking Act issues:

1. Inadequate chlorine contact time.
2. Filter load rate exceedance.
3. High disinfection by-products.
4. Low disinfectant residual.
5. Reliable turbidity reduction.

Public comment included:

Richard Johnson – Trinidad Area Resident

Is there a plan in place to look at the Treatment Facility holistically? 20 year plan? **Crow** explained that the improvements required are regulatory driven, and assured the Council that they aren't putting band-aids on the system. The improvements are long-term focused.

By consensus, the Council thanked Crow for the update, and agreed to receive and file the report.

5. Discussion/Decision regarding contract with GHD to study the possibility of a roundabout at Trinity and Edwards.
Continued to a future meeting.
6. Update/Discussion regarding Treasurer's Report & mid-year Financial Report.
Continued to a future meeting.
7. Discussion/Decision to reconsider Event Host requirement for Town Hall events.
Continued to a future meeting.

XII. COUNCIL REQUEST FOR FUTURE AGENDA ITEMS

XIII. ADJOURNMENT

- Meeting ended at 10:35 pm.

Submitted by:

Gabriel Adams
City Clerk

Approved by:

Kathy Bhardwaj
Mayor



CONSENT AGENDA ITEM 1

SUPPORTING DOCUMENTATION FOLLOWS WITH: 29 PAGES

1. Staff Activities Report for February 2012



STAFF ACTIVITIES REPORT

Through February 2012

A Staff Activities Report is provided to the City Council on a monthly basis, with additions to the previous report indicated in **bold type face**. Old information will be left on this report for a period of time and then removed or updated.

City Administration:

1. **Town Hall Rental.** Based on early Council action, town hall fees have now been adjusted, including the incorporation of a maintenance reserve fund. In addition, rental rates for Sunders Park were established. As a separate agenda item, the council is being asked to reconsider the creation of an event host program due to significant staff effort necessary to properly supervise and manage a pool of qualified candidates necessary to carry out assigned duties.
2. **On-Site Waste Water Treatment (OWTS) Ordinance.** A public education proposal from Streamline Planning to implement this ordinance was approved by the Council at its August 2011 meeting. Streamline is working on putting together public education materials to be mailed out to property owners. This is a prelude to requiring implementation of the Ordinance.
3. **Library.** The Planning Commission reviewed and approved the design and coastal development permit at their meeting of December 8. The Library's contractor has made application for a building permit and the plans have been submitted to the City's plan checking firm.
4. **Water Rates.** The water rate increases as approved at the public hearing on February 8 following the process as required under California's Proposition 218 are being incorporated into the next billing cycle.
5. **Business License Renewals.** Business license applications for 2011-12 were mailed the beginning of July, and a second notice was mailed 9/20/2011. Staff sent a third and final notice in January, 2012, and there are 22 businesses that have not responded or called with an explanation. Those businesses are as listed on the attachment. Some may no longer be in business and some may not intend to conduct business within the city limits. The city's regulations provide that a violation of this requirement is an infraction and is thus a citable offense. Staff will

continue to work toward consistent application of the city's regulation as time and opportunity permits.

6. Annual Audit. The annual audit for the year ending June 30, 2011 has been completed and will be presented at this council meeting.

7. Town Hall Sound System. We continue to test microphones to arrive at an acceptable model for both sound and recording clarity. Once we have a favorable result, we will ask that a replacement system be included in the 2012-13 budget. A new microphone will be tested during this council meeting.

8. Financial Review/Budgets. A mid year financial report is being presented at this Council meeting. Budget preparation for the 2012-13 fiscal year will begin in the next few weeks.

9. Sales Tax Add On. The current .75% sales tax add on is scheduled to expire on March 31, 2013, and in order to continue the add on, a measure needs to be included on the November 2012 ballot at the latest. As a separate agenda item, Council will consider giving direction to staff on this item.

10. Indian Gaming Fund Grants. Staff has prepared two grant applications for possible funding, which are included for consideration at this council meeting: (1) \$2,800 for purchase of visibility cones for protection of public and workers when performing road maintenance activities and (2) \$10,000 for grinding and replacing a section of failed asphalt roadway on Scenic Drive near Langford Road.

11. Cultural Monitor Procedure/Protocol The city occasionally needs to seek services of a cultural monitor when engaging in ground disturbing activities, and city staff is working to develop the proper/procedure for doing so.

12. Cemetery Instruction Handout Staff is working on development of a handout to be provided to plot purchasers to give detailed instructions on procedures and processes necessary to properly carry out the burial function.

13. Cell Tower Lease Update. The 20 year ground lease for the cell facility on Trinidad Head will expire April 16, 2017, although there is a five year option followed by a year to year continuation option. Verizon is aware of potential controversy with any renewal beyond the initial 20 year period and is reviewing options, but until a site plan is made public with a planning application and resulting public hearing, site specifics are kept as proprietary information. Verizon has indicated they will do what they need to do to continue service in this area. T-mobile is also exploring coverage options for this area.

PLANNING ISSUES

1. General Plan. The Planning Commission continues to work on the Circulation Element, which is one of the more complex of the seven state required elements, and the fourth reviewed by the Planning Commission so far. The Circulation Element not only includes transportation and streets, but also public services and energy use. General Plan work was put on hold for a few months due to other planning issues and permits; however, the Circulation Element is near completion and should come before the Council in the next few months. **The Planner advises that the city is more than halfway through the update, which will be followed by a zoning ordinance update after which the documents need to be submitted to the Coastal Commission along with a detailed environmental analysis.**

2. Accessory Dwelling Unit (ADU)/Vacation Dwelling Unit (VDU) LCP Amendment. **The Planner is preparing an application packet to submit to the Coastal Commission, which includes analyzing the ordinances in terms of the City's general plan and Coastal Act policies, and will require an environmental analysis. A resolution will need to be presented to the Council before the applications can be submitted, and this is tentatively scheduled for the April 2012 Council meeting.**

3. Moss Subdivision. At a special meeting held November 10, 2011, the Council directed staff to appeal the decision by the Humboldt County Planning Commission to approve the Moss Subdivision on Fox Farm Road in Westhaven. A timely appeal was subsequently filed together with payment of the appeal fee of \$2,322.65. **County staff has recently advised that they will be requesting the Board of Supervisors approve a contract amendment for their EIR consultant to address the appeal issues, and that contract amendment is tentatively scheduled to go to the Board on March 20, 2012. Once the contract amendment is approved, the consultant can begin work, followed by county staff drafting a report to the Board of Supervisors, and then scheduling a Board hearing. The county's internal Board hearing process takes a minimum of 38 calendar days.**

Status of Grant Funded Programs

1. Project Name: Gateway Project

Source of Funds: Combination of Transportation Enhancement Funds, Federal High Risk Rural Roads Funds and local Proposition 1B funds

Status: **Streetlight replacement was delayed due to PG&E's need to backorder one of the parts, but is scheduled now for early March. Advertisement for bid for the Gateway Project is tentatively scheduled to begin early March with construction beginning mid May, 2012.**

2. Project Name: Town Hall Heating System

Source of Funds: Energy Efficiency Block Grant (\$25,000)

Status: Extra work was required to make one of the two furnace units functional. Once the project was underway, it was discovered that the second furnace unit had not been fully hooked up to serve the front office area, and a change order was issued to complete this portion and allow the city to seek reimbursement for the cost of the furnaces. The extra work required an unanticipated expenditure of about \$1,500 over the original grant allocation, and we are seeking to receive an extra grant allocation from allocated funds that were not spent by another jurisdiction in the collaborative.

3. Project Name: Turbidity Monitoring (SCADA upgrade)

Source of Funding: CA State Proposition (\$113,628)

Status: Winzler & Kelly is acting as the project manager. Final equipment submittals are being reviewed and the project is expected to be installed in late March or early April.

4. Project Name: Water Plant Improvement Project

Source of Funding: Safe Drinking Water Revolving Fund (\$193,100)

Status: An update of this project was provided to the Council at the February 2012 meeting, detailing the Safe Drinking Water Act issues that will be addressed in this project and setting forth the two primary options (membrane treatment plant or upgrades to the existing plant). The City Engineers continue to compare and evaluate the options with input from City staff.

5. Project Name: Luffenholtz Creek Sediment Reduction

Source of Funding: California Department of Public Health (up to \$1.875 million)

Status: The California Department of Public Health anticipates issuing a letter of commitment of funds within the next month for watershed improvements to reduce turbidity into the City's drinking water source, Luffenholtz Creek. We have just recently learned that design, specifications and CEQA must be complete before the final funding agreement with the City will be issued. The City has requested the cooperating project partners, GHD, RCAA and Green Diamond coordinate to complete these items prior to payment of City funds to facilitate the funding agreement and to avoid cash flow issues due to reimbursement delays.

6. Project Name: Trinidad Pier Reconstruction (ASBS Project)

Source of Funding: CA State Proposition 84 (\$2,500,000)

Background: This is a Trinidad Rancheria project, in partnership with the City of Trinidad. The City has a grant from State Water Resources Control Board that will fund \$2.5 million of the estimated total cost of \$10 million for reconstruction of the Pier.

Status: The project is still on schedule for completion in May 2012. The piles have all been replaced, and the new decking is being installed. The arrangements with the crab fishermen has worked out well for getting the boats loaded and unloaded.

7. Project Name: Storm Water Management Improvement

Source of Funding: CA State Proposition 84 (\$2,500,000)

Status: Geotechnical borings and monitoring wells are complete, and the wells will soon be surveyed. Preliminary work on the groundwater model of the town will start soon and coordination between this project and other city street and stormwater projects continues.

8. Project Name: Trinidad to Humboldt Bay Coastal Watershed Program

Source of Funding: Department of Conservation Watershed Coordinator Grant (\$293,910)

Status. This is a three year program with the outcome anticipated to be improved coordination among watershed entities to avoid duplication of effort and to promote improved management of water resources. Recent activities include organizing a Trinidad Bay Watershed Council meeting to plan for the upcoming Trinidad Bay Watershed Night in the Spring. Staff is following the Regional Water Quality Control Board's proposed March 20 adoption of the new Storm Water Permits, which will now apply to the City of Trinidad. Staff is working with the North Coast Storm Water Coalition to develop several educational brochures. Arcata, Eureka and Trinidad city staff are planning a June workshop on reducing stormwater runoff through "low impact development" techniques.

9. Project Name: Azalea & Pacific

Source of Funding: Proposition 1B (\$55,000)

Status: The cultural resources/archaeological investigation for this project has now been completed, and no significant archaeological or historic resources were discovered within the project area during investigation, and no further archaeological investigations are required at this time. GHD is proceeding with the conceptual design of the roadway improvements which are expected to include reconstruction of the roadway, new curbs and gutters and new drainage facilities. The conceptual design is expected to be completed within the next couple weeks

Public Works Department

1. Van Wycke Trail. Warning signs have been ordered to be posted at both ends of the trail to advise users of unstable bluffs, and that use of the trail is at one's own risk. Staff continues to evaluate the water line and storm drain under the trail to consider alternative solutions in the event of line failure due to continued bluff erosion.

2. Trinidad Head Maintenance. At their meeting on February 21, 2012, the Planning Commission found the Trinidad Head Vegetation Guidelines consistent with the City's certified LCP and approved the project as submitted. This was the culmination of a project encompassing several months to define maintenance activities on specific road and trail segments in order to address a complaint regarding maintenance activities that had been carried out on the Head. The staff report and Guidelines are attached. Any work not consistent with the Guidelines will require a separate review process.

3. Town Hall Maintenance. Staff has made substantial progress on working through a list of maintenance/repair items, and can report successful completion of the following:

- Roof leak repaired
- Completed inspection for leaks around roof jacks
- Cleaned gutters
- Completed stage repairs, replacing molding and staining to match existing structure
- Sanded and repainted southern facing window sills
- Scrubbed windows and inner sills
- Cleaned light fixtures
- Completed quarterly inspection of septic system

4. Trinidad Harbor and Pier Evacuation Drill. Staff has been working with Rancheria Staff on planning for and will be participating in a tsunami siren activation and harbor/pier drill scheduled for March 28, 2012 at 11:00 a.m.

5. Lead and Copper Testing. Public Works has recently completed sampling for lead and copper as is required every three years, and the numbers are down significantly from the previous test results, due to modifications in the treatment system process. The results produced a reduction of copper by 33% and a reduction of lead by 75% as compared to 2008 results.

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Attachments:

1. Listing of Delinquent Business Licenses
2. Trinidad Head Trails Staff Report and Trinidad Head Vegetation Management Guidelines

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DATE: 2/16/12
TO: Karen Suiker
FROM: Sandra Cuthbertson
SUBJECT: Delinquent Business Licenses

Original 2011-2012 Business License applications mailed early July 2011.
Second notice mailed September 2011.
City Manager letter w/application mailed January 2012

The following list represents business owners who have not contacted the City and remain delinquent.

A-1 House Calls
Sabrina Boyd, massage
Linda Bruce, residential rental
C. Hayes Ceramics
Conscious Coffee Distribution
John & Holly Frame, residential rental
Natalie Greenwood, manicuring
Deborah Hart, massage
Heartwood Construction
Humboldt Beer, distribution
Jeannie II, commercial fishing vessel
Thomas Janik, massage
Stephen & Pam Leach, residential rental
Esther Lippross, unknown
Lighthouse Management Services, rental management
Lyssand Handy Service, home repair
Nancy Woods Greenwave Solutions, consulting
Bonnie Neely, residential rental
Francis Ontiveros, hair stylist
Pace Chem-dry, carpet cleaner
Professional Tree Services
The Roof Doctor, roofing

The business owners listed have all received three notices and have failed to call with an explanation for non-payment. The letters were not returned, but they may have moved out of the area. Those that only perform work here periodically may not have worked in town this year.



City of Trinidad

TRINIDAD CEMETERY – BURIAL PLOT SELECTION PROCESS

The process for securing a burial plot begins with a consultation by phone or in person at City Hall. A typical process involves at least one meeting with the City Clerk at the cemetery and another at the office to verify the site availability and complete the paperwork.

THE CEMETERY

There are 3 distinct areas within the cemetery: Lower, Middle, and Upper zones. The middle and upper areas contain some of the oldest burials dating back to the early-mid 1800's. Small sections of available burial grounds are located in all sections of the cemetery. A cremation zone was developed in recent history in the northeast corner of the cemetery.

Before selecting a site, and given the Trinidad Cemetery space is limited, it would be helpful to consider if future gravesites will be of interest to surviving family members. It's also critical to know whether the burials will be cremation or standard casket burials. Multiple burials in a single plot are permissible upon approval from the gravedigger, and cost 1.5 times more than a single plot.

Once you've determined the type of burial and the possibility of future needs, the next step is to visit the cemetery. You should find 2 or 3 areas that speak to you, then contact the City Clerk and schedule an appointment to identify the availability of the sites. Many graves in the cemetery date back prior to the early 1960's when the city initiated a permanent, systematic recordkeeping system. Plot selection must be verified by the Clerk before ownership certificates are issued.

Once plot is selected and confirmed, the Clerk will issue a Certificate of Ownership. The City Clerk must be notified prior to conducting any burial in the Trinidad Cemetery.

TRINIDAD CEMETERY BURIAL PLOT FEES:

Standard Casket Plot (3'x8'):	\$1335.00
Recording Fee (Per Person):	75.00
Multiple Burial (2 Caskets or 4 Cremations):	2002.50
Recording Fee (per person):	75.00
Cremation Plot (2'x3'):	\$675.00
Recording fee (per person):	75.00

BURIAL SERVICES

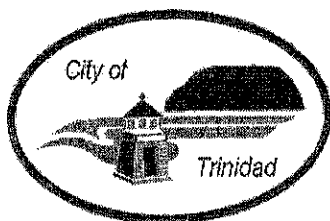
Bob Wilson is responsible for all interments at the Trinidad Cemetery. He can be reached at 707-725-6573. Once the City Clerk's office issues the Certificate of Ownership for a burial plot, you will be asked to contact Bob Wilson and make burial arrangements. The burial fee is separate from the plot ownership fee. Burial rates are established by Bob Wilson.

BURIAL MARKERS

All headstones, markers, etc. to identify a burial must be placed at ground level. Older stones and cribs exist that date back prior to current regulations set by the City Council. Burial markers must fit within each burial plot. Standard dimensions for suggested stonework is 12' h x 24" w. Engraved stone should be placed within a concrete form that extends 6 inches around the stone. This is intended to protect the stone (granite, marble, etc) from mowing and trimming maintenance. All markers must be approved by the City Clerk's office - standard or unique. Eureka Art and Stone Works in Eureka, CA has a long history working with clients that have family or friends are buried in the Trinidad Cemetery. No company is suggested, nor recommended, but Eureka Art and Stone is familiar with the cemetery, the policies, and procedures.

CEMETERY RULES, CONDUCT & REGULATIONS

Regulations for the Cemetery are established and adopted by Trinidad Municipal Code section 12.08. The ordinance covers everything from fees to ownership rights to plot upkeep and maintenance.



Filed: September 20, 2011
Staff: Trever Parker
Staff Report: October 6, 2011
Commission Hearing Date: October 19, 2011
Continued Hearing Date: February 21, 2012
Commission Action:

STAFF REPORT: CITY OF TRINIDAD

APPLICATION NO: 2011-06a

APPLICANT (S): City of Trinidad

AGENT: N/A

PROJECT LOCATION: Trinidad Head Trails

PROJECT DESCRIPTION: Design Review, Coastal Development Permit and Conditional Use Permit to conduct regular vegetation maintenance activities on Trinidad Head roads and trails.

ASSESSOR'S PARCEL NUMBER: 042-121-05

ZONING: OS – Open Space

GENERAL PLAN DESIGNATION: OS – Open Space

ENVIRONMENTAL REVIEW: Categorically Exempt from CEQA per § 15301 of the CEQA Guidelines exempting maintenance of existing facilities, including pedestrian trails, and 15304 exempting minor alterations to land and vegetation.

APPEAL STATUS:

Planning Commission action on a coastal development permit, a variance or a conditional use permit, and Design Assistance Committee approval of a design review application will become final 10 working days after the date that the Coastal Commission receives a "Notice of Action Taken" from the City unless an appeal to the City Council is filed in the office of the City Clerk at that time. Furthermore, this project X is is not appealable to the Coastal Commission per the requirements of Section 30603 of the Coastal Act and the City's certified LCP.

SITE CHARACTERISTICS:

Trinidad Head is a roughly 61-acre, 358-foot elevation headland that comprises the southwestern quarter of the City of Trinidad, and together with the recurving rocky coastline to the east, form Trinidad Bay. The City of Trinidad owns the majority of Trinidad Head. However, the southern portion of the Head is owned by the U.S. Coast Guard, and an area at the summit is also owned by the federal government and contains communication and scientific study equipment along with NOAA weather monitoring facilities. The City also leases a small area as a telecommunication facility containing cellular equipment. The project site is situated within the coastal zone and lies within the incorporated boundaries of the City of Trinidad and within the City's certified permitting area. The entire Trinidad Head is designated in the City's Land Use Plan as "Open Space" (OS), implemented through an "Open Space" (OS) zoning designation.

A paved and gravel roadway provides access to both the Coast Guard property and the NOAA weather monitoring facility at the summit; this roadway also provides pedestrian access to the Trinidad Head trail system. A recreational loop trail traverses around Trinidad Head, and includes various spur trails. The trail system also includes benches, vista points, trail markers and railings to keep people away from steep cliffs. From various points along the trail, views are afforded of the Trinidad townsite, Trinidad Bay, Trinidad State Beach, Pewetole Island, Elk Head, the Trinidad pier and harbor moorages, as well as both nearshore and distant blue-water vistas. On clear days, the ocean and coastline vistas encompasses the area between Point Saint George to Cape Mendocino, nearly fifty miles to the north and south, respectively.

Plant cover on the Head is dominated by a thick shrub layer comprised of coyotebrush (*Bacharis pilularis*), cascara (*Rhamnus purshiana*), California blackberry (*Rubus ursinus*), evergreen huckleberry (*Vaccinium ovatum*), salal, (*Gautheria shalon*), swordfern (*Polystichum munitum*), bracken fern (*Pteridium aquilinum*), coast silk-tassel (*Garrya elliptica*), with scattered tree layer cover by salt and wind-stunted Douglas-fir (*Psuedotsuga menziesii*). Several immature incense cedar trees (*Calocedrus decurrens*) have also been planted, apparently for screening the telecommunications complex, along the southside of its fenced enclosure.

STAFF COMMENTS:

At the last meeting regarding this project it became clear that a more detailed project description was necessary. Since that meeting, I worked with Bryan Buckman, the City's Public Works Director, to document the regular maintenance activities occurring on various sections of roads and trails on Trinidad Head. That write-up was then amended by the Trinidad Head Committee in conjunction with Bryan and Councilmember Dwight Miller to create the final project description, or 'Trinidad Head Vegetation Management Guidelines' (attached). It seems that the parties involved have generally agreed upon this description as what constitutes regular vegetation maintenance on Trinidad Head. Any work that is not consistent with the Guidelines will require a separate review process.

The City has been managing and maintaining roads and trails on Trinidad Head since it was transferred to the City and incorporated into City limits in 1985. The City works in cooperation with the federal agencies that also own land on Trinidad Head, and these agencies retain certain rights and easements over areas of Trinidad Head that are owned by the City (roads and utilities). However, City staff is unclear as to the exact provisions of these easements. The roadways must be maintained for access to the facilities on Trinidad Head and for emergency vehicles. The trails also must be maintained to preserve pedestrian access from encroachment of vegetation. The City typically trims vegetation consistent with historic dimensions twice per year with minor trimming and mowing once per month.

In March of 2011, the City received a letter from Coastal Commission staff that there had been a complaint regarding recent maintenance activities that had been carried out on the Head by Trinidad Public Works staff. The complaint alleged the activities that occurred went beyond maintenance and that a coastal development permit should have been applied for. A series of correspondence followed, and the City agreed to cease maintenance activities until receiving clarification from the Coastal Commission. City staff met with Coastal Commission staff to walk the Trinidad Head roads and trails and discuss maintenance activities on May 16, 2011. Maintenance activities that had occurred in the spring were viewed and discussed. Vegetation maintenance, consisting of trimming vegetation back, up and down, varies depending on the location and type of area (whether it is a road, trail, bench, spur, etc.). In addition to the vegetation maintenance that had occurred, some road and trail grading had also occurred to repair erosion damage and to rebuild water bars that direct stormwater off the road to prevent erosion.

The definition of development contained in the Coastal Act and the City's LCP includes 'major vegetation removal,' which itself is not well defined. Also, Trinidad Head, the bluffs and the coastal scrub vegetation would qualify as an 'environmentally sensitive habitat area' (ESHA), which further restricts allowable activities. It was determined that the grading activities that consisted of importation of gravel and the use of heavy equipment (bobcat) should have triggered a coastal development permit. However, the coastal development permit requirements for the vegetation maintenance were less clear. Generally, vegetation trimming and maintenance that has historically and regularly occurred could be exempt from permit requirements. However, because these dimensions can not be definitively established, the City is proposing to issue a coastal development permit for regular vegetation maintenance that occurs on Trinidad Head. The purpose of this project is to detail these maintenance activities and to issue the coastal development permit so that it can occur on a regular basis in the future similar to the past.

DETAILED PROJECT DESCRIPTION:

Please see attached "Trinidad Head Vegetation Management Guidelines" that describes each of trail and road segment descriptions and vegetation maintenance practices.

ZONING ORDINANCE/GENERAL PLAN CONSISTANCY:

Background

The BLM transferred most of Trinidad Head to the City in 1983 as a "recreational area for hiking and other low-intensity recreational uses." It was then incorporated into City limits, and the Coastal Commission approved the transfer and application of the City's LCP to the Head in 1985. It should be noted that the original March 15, 2011 letter from the Coastal Commission explained that the complaint regarding the maintenance activities also included other aspects, one of which was the lack of required archeological surveys. Open areas of the Head were surveyed during the transfer process. In addition, one of the conditions of the BLM transfer was that: "After the vegetation is removed and prior to any construction [primarily trails and vista points], those areas not previously surveyed for cultural values shall be surveyed by a qualified archeologist." The road areas were previously surveyed and the trails were surveyed as part of the original trail development. No new areas were / are disturbed or had / have vegetation removed as part of the regular maintenance activities proposed for this action. Therefore this requirement does not apply.

Trinidad General Plan Policies

(Constraints on Development) Policy 4: "Access roads serving two or more building sites should avoid areas of questionable stability as much as possible and not adversely affect adjacent property or result in increased public costs. Road design should minimize the potential for slope failures and include adequate drainage to handle storm runoff." Response: Because of Trinidad Head's stable, hard-rock geology, it is not in an area that is mapped as being either 'unstable' or of 'questionable stability'. As can be documented in historic aerial photos (going back to at least 1942), the existing roadway has been in place in its current configuration and location since prior to the passage of the Coastal Act when the Head was owned by the Federal government. There is no evidence that the existing road is causing erosion or slope failures. The existing road includes drainage improvements such as waterbars, outsliping and ditches. Maintenance is only required on these drainage improvements approximately once every 5 years, which indicates that the road is fairly stable. Road drainage maintenance is not proposed as part of this CDP application, but will be processed in a separate application in the future.

(Constraints on Development) Policy 5: "Where access trails must traverse steep slopes they should be located away from unstable areas and improvements should be provided to minimize erosion and slope failures. Existing trails which are creating these problems should be either improved or closed." Response: Because of Trinidad Head's stable, hard-rock geology, it is not in an area that is mapped as being either 'unstable' or of 'questionable stability'. The existing trail system was constructed in accordance with the requirements of the City's LCP and the Coastal Act under CDP 84-3 issued in 1984 by the Coastal Commission (since the LCP had not yet been applied to the Head since the transfer of ownership). A review of the limited file information for that project shows that the trail locations did consider erosion potential and proximity to steep slopes. There is no evidence that the existing trail is causing erosion or slope failures. The existing trail includes drainage improvements such as waterbars, outsliping and ditches. Maintenance is only required on these drainage improvements approximately once every 5 years, which indicates that the trails are fairly stable. Trail drainage maintenance is not proposed as part of this CDP application, but will be processed in a separate application in the future.

(Biological Resources) Policy 16: *"The Humboldt County Natural Resources Department should define the geographical limits of the three rare plants located within potential development areas. Vegetation removal, timber harvesting, or development should be reviewed to ensure that all reasonable means have been considered to protect any existing rare plants."* Response: Conditions have certainly changed since this policy was written. New plants have been listed, and at least one of the three rare plants identified as potentially occurring in Trinidad does not exist, at least under that name. A biological report was prepared for the Trinidad area as a background report for the General Plan update. Two CA Native Plant Society listed (2.2 and 2.3 respectively) species have been reported on Trinidad Head – Oregon Paintbrush and Tracy's romanzoffia – neither of which are state or federally listed species. Though a complete survey of Trinidad Head did not occur, there are also several other species that could potentially occur on Trinidad Head. (See my 'Notes on Rare Plants' for additional information.) Rare plants are often rare because they only populate disturbed areas and are quickly shaded out due to succession. Often these species are likely to occur along trails and roadways. Sometime halting disturbance factors, such as road maintenance, can actually reduce habitat for these species. There are ways to reduce the potential for impacts to rare plants, and conditions of approval that could be incorporated into the project if this remains an issue. As for the mention of habitat utilization, since regular maintenance and trimming already occurs, animals living on Trinidad Head should be accustomed to such disturbance. Further, people and dogs walking the trails every day likely results in more disturbance than periodic vegetation trimming and animals will tend to utilize other areas of the Head.

Also note that the original trail development was consistent with this policy. According to the 1989 'Report to the City of Trinidad on the Implementation of the Local Coastal Program' prepared by Coastal Commission, it is noted on p. 27 that: *"The City has implemented Policy 17 by acquiring Trinidad Head and by giving it an Open Space land use plan and zoning district designation. Furthermore, under a 1984 permit for a trail within the area, the City addressed the possible location of rare plants consistent with the intent of policy #16."* File information for the approval of the Trinidad Head trails also show that one portion of trail was eliminated due to a concern that it was too close to an otter den.

(Biological Resources) Policy 17: *"Development of Trinidad Head should be kept to a minimum to protect the mammals and rare plants located there. The location of rare plants should be considered in the development of any trails."* Response: Please see the response to Policy 16 above.

(Circulation) Policy 32: *"The City should continue its program of correcting street improvement deficiencies. The standards of improvement for streets should be as identified on Figure 1 and Plate 4 provided that an 8 foot parking area alongside Edwards Street and Trinity Street south of Parker Street may be appropriate. With the exemption of Main, Trinity and Edwards Streets the rural character of Trinidad should be protected by the use of shallow side ditches to carry roadside drainage."* Response: The roadway on Trinidad Head is not shown on Plate 4 of the General Plan, because Trinidad Head was not part of City limits at the time of adoption. The smallest type of street cross-section shown in Figure 1 is a 'local street' with two eight foot travel lanes. The Trinidad Head road averages only 10 feet in width, which is appropriate because it is not open to public vehicular access. The road is consistent

with this policy by maintaining the rural character of the roadway by minimizing improvements and utilizing shallow water bars and ditches to control runoff.

(Recreation) Policy 66: *"Trinidad Head will be kept in its natural state with hiking trails and vista points. Public vehicular access will only be allowed as far as the existing harbor overlook."* Response: The proposed project is consistent with this policy by proposing vegetation maintenance to preserve public access to the existing trail system for passive recreation. The proposed trimming down the height of the vegetation also maintains existing vista points, allowing users views of the ocean and coastline between the vegetation. Public vehicular access is not allowed on Trinidad Head. However, the roadway must be maintained for continued access to government facilities on the Head. Regardless of other improvements on Trinidad Head (such as the cellular facility), the proposed project is consistent with this policy.

(Community Design) Policy 72: *"The beaches and sea cliffs which border the southern and western sides of the city (identified as Open Space) shall be preserved from further development and allowed to remain in their present, essentially natural, state."* Response: The restrictive Open Space zoning of Trinidad Head provides the implementation of this policy, and the Coastal Commission has found that to be consistent with this policy. Maintaining and trimming vegetation along roadways and trails is consistent with this policy. No new development or improvements are proposed. The extent of vegetation trimming could affect the project's consistency with this policy. Vegetation should not be trimmed so extensively as to affect the character of the habitat and scenery. However, trimming to widths and heights consistent with past maintenance would be consistent with this policy.

Zoning Ordinance Regulations

The purpose of the Open Space (OS) Zone is to *"maximize preservation of the natural and scenic character of these areas including protection of important wildlife habitat and cultural resources..."* Principally permitted uses within the OS zoning district are limited primarily to habitat related and low-intensity recreational activities, such as wildlife habitat, public and private open space, beachcombing, hiking, fishing, and picnicking, with limited provisions for conditionally authorizing physical developments. Conditionally permitted uses include new and expanded pedestrian trails, vista points, shoreline revetments to protect and maintain existing scenic and cultural resources, and temporary structures related to wildlife habitat management and scientific research. In addition, "structures accessory to uses and buildings existing within the open space zone at the time this ordinance is adopted" are also allowed with the issuance of a conditional use permit.

Removal of vegetation posing a hazard to structures or people is a principally permitted use. Other removal of vegetation requires a use permit. In this case, no vegetation is being removed, only trimmed. And no new trails or improvements are proposed, only maintenance of the existing roads, trails and vista points. The Trinidad Public Works Director has stated that the vegetation maintenance described in the attachment is consistent with the maintenance activities that have regularly occurred since he has worked for the City (more than 10 years). Therefore, staff has determined that the proposed maintenance activities are principally permitted and do not require a use permit. However, in the event that information

is presented by the public that conflicts with staff's determination, the Use Permit findings have been included if the Planning Commission finds them necessary. Because the project does not involve any structural changes or grading, design review does not apply. This staff report focuses on the consistency of the proposed maintenance activities with the Coastal Act and its regulations, because they tend to be more restrictive and better defined than the City's LCP in this case.

Zoning Ordinance Section 4.02 – Open Space Zone: Response: Note that the Coastal Commission has not certified the City's recodification of its ordinances; the codified section number is Chapter 17.16. The description above provides an analysis of the proposed project in relation to the Open Space zoning requirements including the purpose of the zone (section 4.02) and consistency of the proposed use (4.02(A) and (B)). Subsection C includes other regulations, most of which are applicable to structural development and do not apply to this project. C.1 provides a minimum lot area when a subdivision is proposed. C.2 provides for maximum density, and no new dwellings are allowed or proposed by this project. C. 3 includes requirements in areas designated as "unstable" or "questionable stability." But as noted above in response to Policies 4 and 5, Trinidad Head is not mapped as either due to its stable geology. C.4 sets a maximum building height, but no buildings are proposed by this project. Finally, C.5 establishes requirements to protect cultural resources within the Tsurai Study Area. Even though this subsection technically does not apply to this project, because it is not located within the TSA, Trinidad Head is still a culturally significant area that does warrant additional considerations.

Zoning Ordinance Section 6.19 – Design Review and View Preservation Regulations (Chapter 17.60 as recodified): Response: Staff does not feel that these regulations apply to the proposed project. Subsection B outlines the applicability of this section – *"Relocation, construction, remodeling or additions to structures, and alteration of the natural contours of the land shall not be undertaken until approved by the design assistance committee. Approval need not be obtained for remodeling that does not affect the external profile or appearance of an existing structure...."* This language does not appear to apply to vegetation removal. The City has never, that I know of, required design review for vegetation removal. Further, the design review and view protections findings and standards do not apply to vegetation. Landscaping is mentioned twice, once to say that it should be used to screen new development (not applicable) and once to say that it should not be allowed to block coastal views (consistent with the proposed project). Therefore, staff does not recommend that these findings be required for this project.

COASTL ACT / REGULATIONS CONSISTANCY:

It is the opinion of City staff that the activities described in this staff report fall under the Coastal Commission's exemption for maintenance activities found in section 30610(d) as follows: *"Repair or maintenance activities that do not result in an addition to, or enlargement or expansion of, the object of those repair or maintenance activities; provided, however, that if the commission determines that certain extraordinary methods of repair and maintenance involve a risk of substantial adverse environmental impact, it shall, by regulation, require that a permit be obtained pursuant to this chapter."* This opinion is based on the fact that City staff has maintained vegetation along roads and trails on Trinidad Head since it was transferred to

the City in 1985. However, the exact extent of historic vegetation maintenance can not be established. The additional road repair work that also occurred this spring is not part of the regular annual maintenance or this project and likely should have required a coastal development permit (there is a discrepancy between the current Coastal Act regulations and the City's certified LCP). This work could have resulted in the appearance that the vegetation maintenance this spring was greater than normal, which caused the original complaint. When viewing a series of aerial photos of Trinidad Head taken over the years, it can be seen that conditions along the roads and trails of Trinidad Head have remained fairly consistent. The photo from 2011 actually shows more vegetation over the roads and trails than is normal due to the lack of maintenance this summer resulting from the complaint.

Coastal Commission regulations §13252 outlines exceptions to the Coastal Development Permit exemptions of §30610 of the Coastal Act. The one exception that could apply to these activities is number 3, which applies to environmentally sensitive habitat areas (ESHA): "*Any repair or maintenance to facilities or structures or work located in an environmentally sensitive habitat area, any sand area, within 50 feet of the edge of a coastal bluff or environmentally sensitive habitat area, or within 20 feet of coastal waters or streams that include: (A) The placement or removal, whether temporary or permanent, of rip-rap, rocks, sand or other beach materials or any other forms of solid materials; (B) The presence, whether temporary or permanent, of mechanized equipment or construction materials.*" The entire Trinidad Head could be considered an ESHA due to the coastal scrub habitat and the proximity to coastal bluffs. However, no new materials are placed on Trinidad Head through the proposed maintenance activities. In addition, only hand tools are used. Some of these may be power tools (mowers and trimmers), but would not be considered mechanized equipment. Further, §17.72.070(C)(3) of the certified Trinidad LCP contains exemptions for road and trail maintenance. However, the Trinidad LCP, due to its age, sometimes conflicts with current provisions of the Coastal Act and associated regulations. It is City staff's policy to use the stricter of the provisions when they conflict, and in this case, that appears to be the Coastal Act.

Chapter 3 of the Coastal Act contains the 'Coastal Resources Planning and Management Policies' against which development projects (and LCPs) are judged. This Chapter is divided into 7 Articles.

Section 30210, the lead-in to Article 2, regulating public access, states: "*In carrying out the requirement of Section 4 of Article X of the California Constitution, maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with public safety needs and the need to protect public rights, rights of private property owners, and natural resource areas from overuse.*" Most of the policies of this article related to new development, but maintenance of Trinidad Head Trails is consistent with providing maximum public access (§30210) that is free to the public (§30213). Trail maintenance complies with the provisions of §30214 in protecting coastal resources, because it is consistent with historical maintenance activities, and through this CDP process, specific locations, timing, amount and methods will be defined so that future maintenance continues to be consistent with past activities.

Maintenance of Trinidad Head trails is consistent with Article 3 (Recreation) by protecting coastal (§30221), ocean front land for recreational purposes. The proposed maintenance activities are also consistent with Articles 4 (Marine Environment) and 5 (Land Resources) by providing for trimming of vegetation to consistent widths to allow for passive public access while preserving the integrity of the existing habitat. Wholesale removal of vegetation does not occur, simply trimming, which grows back and therefore must be repeated periodically. Vegetation must be trimmed to the widths proposed to minimize the amount of maintenance required between trimmings. Requiring more frequent maintenance would cause additional disturbance of both the natural environment and trail users. The project is consistent with Chapter 6 (Development), by providing public access and coastal viewing opportunities. There are established vista points and benches along the trails and roadways where vegetation must be trimmed to maintain existing coastal views of the harbor, beaches, coastal rocks and open water. Article 7 (Industrial Development) does not apply to this project.

SLOPE STABILITY:

The property where the proposed project is located is outside of any areas designated as unstable or questionable stability based on Plate 3 of the Trinidad General Plan.

SEWAGE DISPOSAL:

There is no sewage disposal associated with this project.

USE PERMIT FINDINGS:

Section 17.72.040 requires written findings to be adopted in approval of a use permit. However, staff has determined that a Use Permit should not be required unless conflicting information is presented during the hearing. The following findings can be made based on the responses provided:

- A. *The proposed use at the site and intensity contemplated and the proposed location will provide a development that is necessary or desirable for and compatible with the neighborhood or the community.* Response: Trinidad Head is undeveloped except for government facilities, a small communications site and public trails with associated improvements, and the historic cross. The proposed vegetation maintenance will enhance public safety and recreational opportunities and is consistent with the existing trail system.
- B. *Such use as proposed will not be detrimental to the health, safety, convenience, or general welfare of persons residing or working in the vicinity or injurious to property improvements or potential development in the vicinity with respect to aspects including but not limited to the following:*
 - 1. *The nature of the proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;* Response: The proposed

vegetation maintenance will preserve the access to and usability of the Trinidad Head Trail system.

2. *The accessibility of the traffic pattern for persons and vehicles, and the type and volume of such traffic, and the adequacy of proposed off-street parking and loading;* Response: The proposed vegetation maintenance will preserve the access to and usability of the Trinidad Head Trail system. Public safety will be maintained so that pedestrians can move to the sides of roads and trails to get out of the way of vehicles and other pedestrians.

3. *The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor;* Response: The proposed vegetation maintenance will not result in any offensive emissions, including noise, glare, dust and odor.

4. *Treatment given, as appropriate, to such aspects as landscaping, screening, open space, parking and loading areas, service areas, lighting and signs;* Response: The proposed vegetation maintenance does not require landscaping or include, open space, parking, loading, service areas, lighting or signs. The maintenance activities are consistent with historic vegetation maintenance and are compatible with the open space nature of the Head.

C. *That such use or feature as proposed will comply with the applicable provisions of this title, will be consistent with the policies and programs of the general plan and will assist in carrying out and be in conformity with the Trinidad coastal program.*

Response: As described above in "Zoning Ordinance/General Plan Consistency," the proposed project is consistent with both the Zoning Ordinance and General Plan and will carry out policies, consistent with the Trinidad Coastal Program by maintaining coastal recreational opportunities.

D. *That the proposed use or feature will have no significant adverse environmental impact or there are no feasible alternatives, or feasible mitigation measures, as provided in the California Environmental Quality Act, available which would substantially lessen any significant adverse impact that the actions allowed by the conditional use permit may have on the environment.* Response: The proposed vegetation maintenance occurs within the existing trail system and does not have the potential for adverse environmental impacts and are exempt from CEQA per CEQA Guidelines §15301 allowing maintenance of existing trails and 15304 allowing minor alterations to vegetation.

E. *When the subject property is located between the sea and the first public road paralleling the sea or within three hundred feet of the inland extent of any beach or of the mean high tide line where there is no beach, whichever is the greater, that:*

1. *The development provides adequate physical access or public or private commercial use and does not interfere with such uses;* Response: The purpose of the proposed vegetation maintenance is to preserve existing public access from natural encroachment by growth of that vegetation.

2. *The development adequately protects public views from any public road or from a recreational area to, and along, the coast;* Response: The purpose of the proposed vegetation maintenance is to preserve existing public views from natural encroachment by growth of that vegetation.
3. *The development is compatible with the established physical scale of the area;* Response: Vegetation maintenance is consistent with and necessary to preserve the scale of the existing road and trail system.
4. *The development does not significantly alter existing natural landform;* Response: Vegetation maintenance activities will not result in ground disturbance.
5. *The development complies with shoreline erosion and geologic setback requirements.* Response: Trinidad Head is not an area mapped as being unstable or questionably stable on Plate 3 of the General Plan. Vegetation maintenance is consistent with the existing road and trail system.

STAFF RECOMMENDATION:

The project is consistent with the City's Zoning Ordinance and General Plan as well as the Coastal Act, and the necessary findings for granting approval of the project can be made. Should the Planning Commission find that the project is constant with all of the above provisions as described in this staff report, then staff recommends that the Planning Commission approve the project with a motion similar to the following:

Based on application material, information and findings included in this Staff Report, and based on public testimony, I find that the proposed project is consistent with the City's certified LCP and the provisions and regulations of the Coastal Act and I move to approve the project as submitted and described herein.

PLANNING COMMISSION ALTERNATIVES:

If the Planning Commission does not agree with staff's analysis, or if information is presented during the hearing that conflicts with the information contained in the staff report, the Planning Commission has several alternatives.

- A. Add conditions of approval to address any specific concerns on the part of the Commission or the public.
- B. Delay action / continue the hearing to obtain further information.
 - In this case, the Planning Commission should specify any additional information required from staff or the applicant and / or suggestions on how to modify the project and / or conditions of approval.
- C. Denial of the project.
 - The Planning Commission should provide a motion that identifies the Finding(s) that can not be made and giving the reasons for the inability to make said Finding(s).

Trinidad Head Vegetation Management Guidelines

These guidelines are intended to further:

The stated purpose of the City's acquisition is "to make available to the people forever, for their inspiration and enjoyment; Trinidad Head, together with all related scenic, historic, scientific, and recreational values and resources of the area."

Environmental Assessment/Land Report on City of Trinidad application for acquisition of Trinidad Head, by Bureau of Land Management (BLM), December 21, 1982 (Serial No. EA #512)

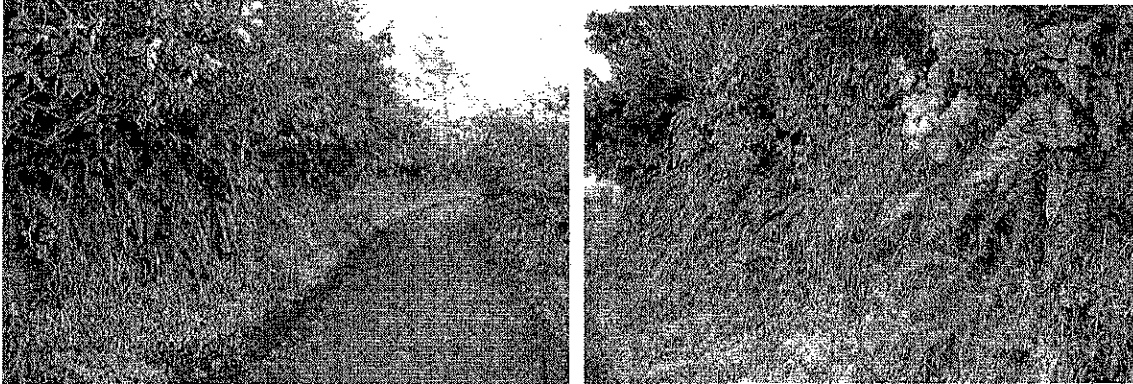
General Maintenance Guidelines

- Trail and road segments are as shown on the map at the end of this document
- On all trails, trim or mow as needed to a total width no more than 5 feet.
- On all road segments, there are varying conditions on the inside and outside of the road, but the combined mowed width (inside + outside) should be approximately 4 feet or less.
- Where mowing or trimming is limited to "approximately xx feet," this means plus or minus half a foot from the stated limit.
- Typically nothing over 1 inch in diameter is trimmed unless it is encroaching into the road or trail.
- Anything under 8 feet in height is cut back to approximately 1 foot outside the road or trail (except in specified 'tunnel' areas)
- If left untrimmed, much of the scrub vegetation gets heavy and starts to lean over the road and trail, and will then need to be trimmed more.
- Major trimming should be from fall through winter, with minor trimming every month or two during the growing season, as needed.
- Trimmings will be dispersed, chipped, or hauled away.
- Dispersed trimmings will not be deposited in piles that limit natural growth of surrounding vegetation.
- Avoid trimming or mowing small plants, such as ferns, that are not impinging on the trail.
- Invasive species may be trimmed to ground level. Major concerns are Cotoneaster, Bull Thistle, Pampas Grass, and Himalaya Blackberry. However, no plant removal or soil disturbance is to occur as part of regular maintenance. Those activities are subject to different permit requirements.
- Trimming or mowing of the vegetation, beyond the parameters of this document, should go through the public review process for a coastal development permit.

Road Segment 1

Location: From bottom of Trinidad Head to beginning of trail.

- At the upper end of this segment the inside road boundary is formed by a rocky ledge / wall. Trim 3 to 4 feet vertically on this rocky edge only if vegetation directly impinges on the road.
- Trim around road signs only to maintain visibility of the signs.



Typical Road Segment 1 and ferns growing from the rocky wall.

Trail Segment A

Location: From trail entrance (intersection with roadway) to the first large 'tunnel' through trees.

- Note that the approximately first 20 feet of trail is significantly wider (including benches and signs).
- Emphasis on mowing, with not a lot of woody vegetation here.
- Group of 3 benches at trail entrance; some gravel has been laid around them.
- Mowing occurs approximately 3 feet in front of benches and 1-2 feet around and behind them.
- Vegetation trimmed to no lower than 3 feet in front of the benches (approximately 20 feet in width).
- Mow and trim 1 to 2 feet around interpretive sign and trail marker.



3 bench grouping at trail entrance.

Trail Segment B

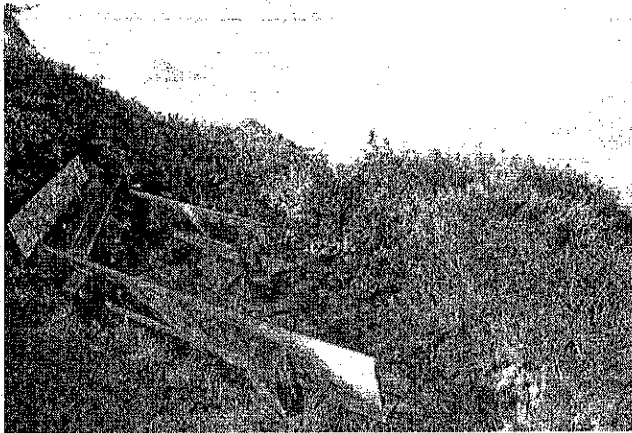
Location: A significant 'tunnel' through fairly large trees (spruce).

- Trail approximately 6 feet wide through trees. No additional mowing or trimming is needed.
- Note this segment includes a significant 'tunnel' area. Not much trimming is needed in the tunnel due to lack of plants from lack of light. No trimming past tree trunks lining the trail.
- Overhead branches trimmed only if less than 7 feet.
- Avoid disturbing mossy areas.

Trail Segment C

Location: From the 'tunnel' to the first spur trail and a group of 3 benches.

- The trail is approximately 3 feet wide.
- Note there is a small 'tunnel' at the end of this segment, just before the spur trail. Overhead branches trimmed only if less than 7 feet.
- Benches are trimmed and mowed 2 to 3 feet around each bench.
- An area just in front of the bench grouping, no more than 22 feet wide, is trimmed to no lower than 3 feet to maintain views of the ocean and native "windswept" vegetation.



Grouping of benches on Trail Segment C and the 'tunnel' that is to be left intact.

Trail Segment D

Location: Northern spur trail.

- Trail is generally 2 to 3 feet wide.
- There is a bench set back from the bluff at the end of the spur. Minimal trimming occurs around this bench, mostly just in the front.



Typical section of northern spur trail.

Trail Segment E

Location: From the intersection with the northern spur trail to the top of the switchback.

- Trail has basically the same conditions and maintenance as segment C.
- The trail is approximately 3 feet wide.
- At the switchback, there are solid 'walls' of vegetation. These walls are just trimmed vertically less than a foot back from the trail, taking care to leave young ferns intact.



A portion of trail segment E.

Trail Segment F

Location: From the top of the switchbacks to the 4-bench view area.

- The trail widens here to approximately 4 feet.
- The benches at the end of this segment are trimmed and mowed approximately 1 foot around them.
- The native Toyon shrubs at the sides of the benches should be preserved. ID tags will be placed on the Toyon shrubs for proper identification when trimming.

Trail Segment G

Location: From the 4-bench view area at the end of segment F to another bench at the top of the next switchback.

- This trail section narrows back down to 3 to 4 feet in width.
- Approximately midway through this segment, a small spur trail heads west to a rocky prominence (G.2). This, originally rogue trail, is only trimmed to the trail width (mostly 3 feet, but up to 4 feet). The height of the vegetation in this area is naturally trimmed by the wind.
- There is another vegetation 'tunnel' before the switchbacks start. Overhead branches trimmed only if less than 7 feet.
- The bench at the end of this segment is near some rocks, where vegetation is scarce. Therefore there is about 3 to 4 feet of clearance around this bench.

Trail Segment H

Location: From the bench at the end of segment G, to the vista point / cross area.

- This is a slightly narrower length of trail. The trail itself is generally between 2 to 3 feet in width.
- There is poison oak on the inside of this trail that should be trimmed aggressively out of the way of hikers.



A section of trail segment H.

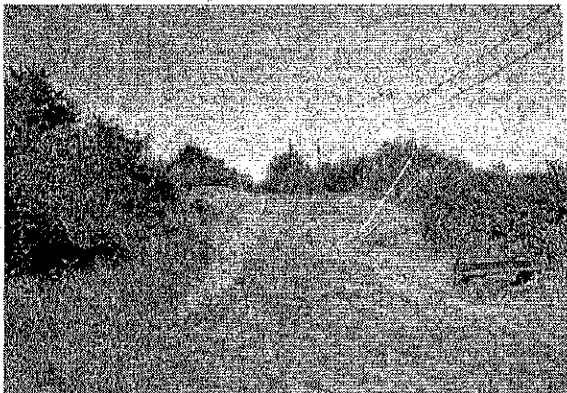
Trail Segment I

Location: This is the last trail segment, from the lighthouse viewing platform near the cement cross, up to the roadway.

- This area is much wider and more variable than other trail segments. There is a large grassy area above the cross that sometimes is used as a gathering point. That area will be mowed to the shrub lines on the sides.
- There are several benches in this area where vegetation is maintained around them to continue to provide access.



Examples of ocean views through the vegetation near the cross. Note that the vegetation is somewhat overgrown in these photos.

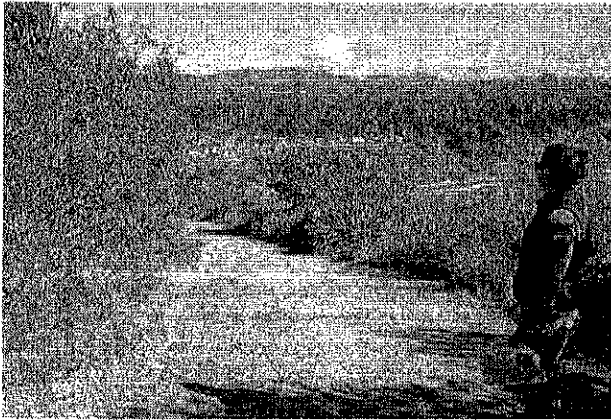


Views of the large grassy area looking up from the cross, and looking down from the road.

Road Segment 2

Location: Gravel road from the cross area down to the intersection with the paved road.

- The widest portions of this part of the roadway are near the cross and at turns, up to 13 feet in width, but more typically 10 to 12 feet.
- At the hairpin curve midway along this segment, the vegetation is thicker. In this area, vegetation is trimmed approximately a foot out from the roadway on the inside where the vegetation forms a solid wall. On the outside, trimming is generally 1 to 2 feet.
- Ferns are generally left alone along this section unless they are encroaching into the gravel roadway.
- There is poison oak that grows on the inside of the upper portion of this roadway that should be trimmed back away from hikers.



Photos showing typical sections of the gravel roadway (segment 2). The first shows a wide area near the cross at the upper end of the segment, and the second photo shows a typical 'wall' of vegetation along the inside of the roadway.

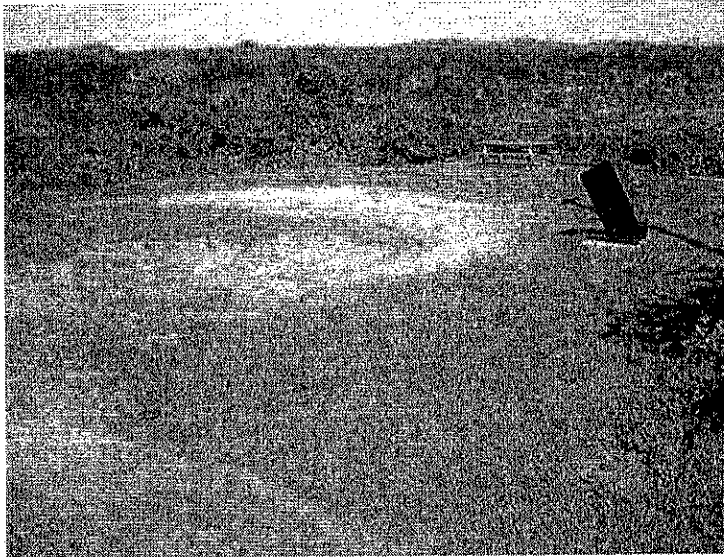


Another view of the gravel roadway, segment 2.

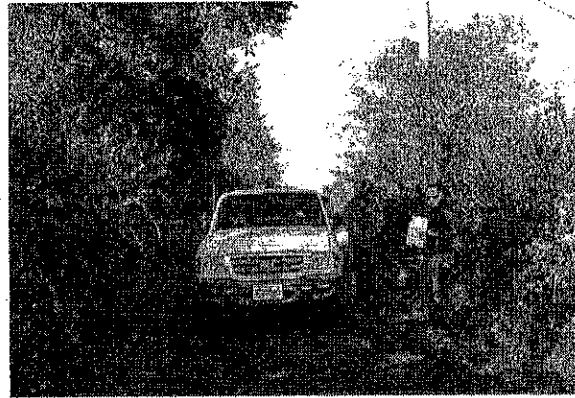
Road Segment 3

Location: The paved roadway from the intersection of the gravel roadway to the intersection of the trail (trail segment A).

- The paved roadway is approximately 12 feet in width.
- At the top of this segment (and the bottom of segment 2) there is a large grassy area that is kept mowed. This area provides a large overlook and vehicular turn-around area as well as a picnic table and trash receptacle. This area is kept mowed, and vegetation is trimmed to keep it from encroaching into the clearing. Much of the vegetation needing trimming that grows around this area is blackberries.
- There are three areas on the outside of this road segment that provide an overlook of the pier and harbor. Two upper areas have a bench with a railing along the bluff edge for safety, while a lower area has a bench with no railing (but extensive vegetation beyond the bench). In all 3 viewing areas, vegetation is mowed and trimmed around the benches from the roadway to the railing (or to the vegetation beyond the bench without a railing), and 3 feet on either side. Vegetation is also trimmed to no lower than 3 feet in front and somewhat beyond the benches to maintain the view.

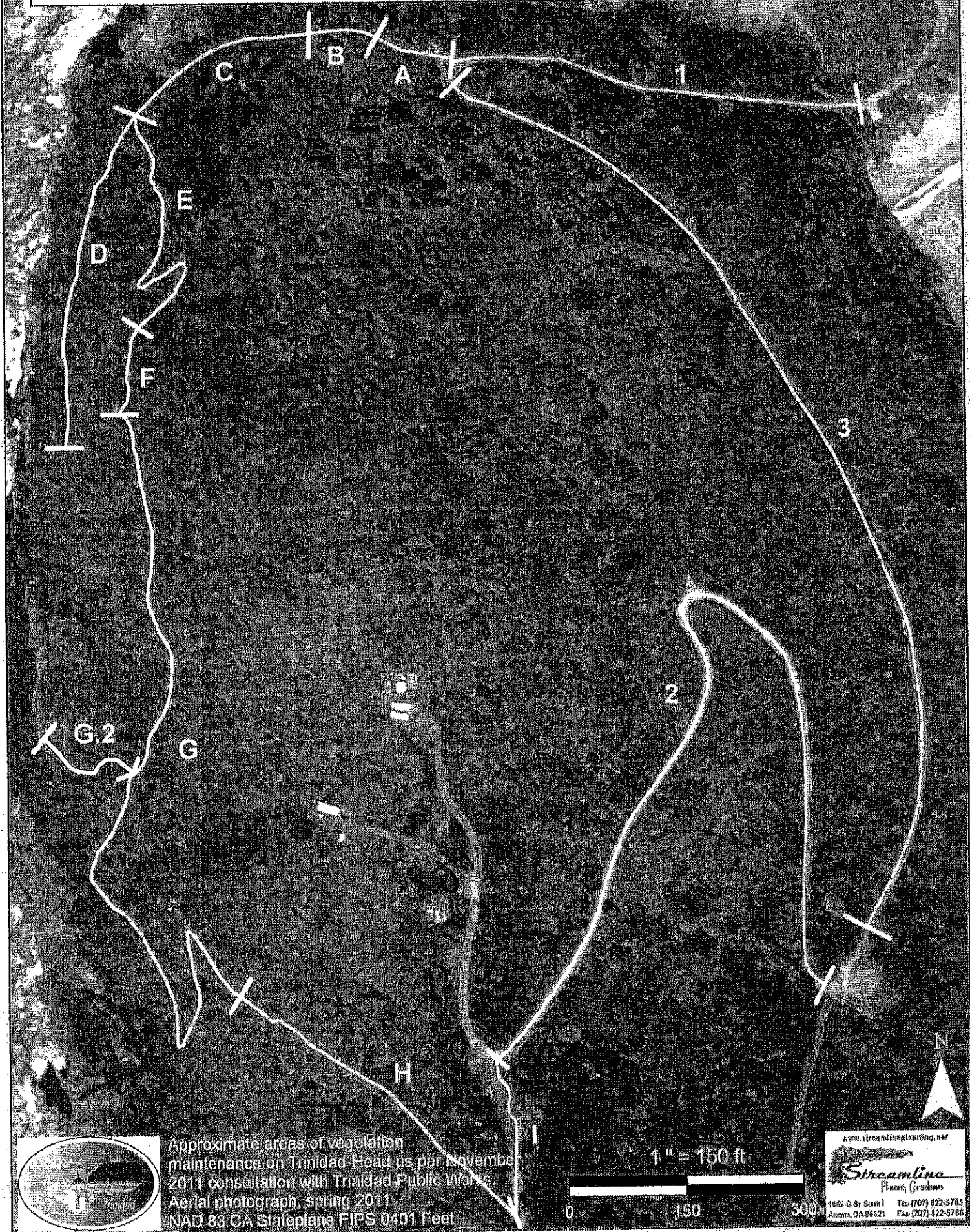


A photo of the large grassy overlook / turn-around / picnic area at the top of road segment 3.



Typical sections of road segment 3.

VEGETATION MAINTENANCE ON TRINIDAD HEAD



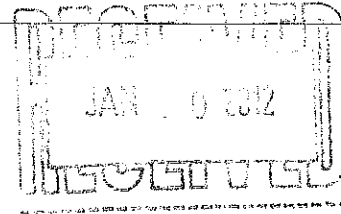


CONSENT AGENDA ITEM 2

SUPPORTING DOCUMENTATION FOLLOWS WITH: 1 PAGES

2. Acceptance of maintenance responsibility for flowering trees along city streets from Garden Club.

Trinidad City Council
409 Trinity St.
Trinidad, CA 95570



Dear Council Members,

In 1995, the Patrick's Point Garden Club undertook the ambitious project of planting twenty-five flowering cherry trees (*Prunus serrulata* 'Kwanzani') along the streets of Trinidad. In addition, crab apple and other trees were planted. The effort was funded by the Small Business Administration, the California ReLeaf Program, and by donations from individuals and from Trinidad businesses.

In recent years, this project has been continued with funding from a variety of sources. The continuation of the cherry tree project was supported by garden club projects such as the Trinidad Mothers' Day Garden Tour, The North Coast Garden Event, and June plant sales as well as by generous donations from community members and businesses.

Maintenance during the trees' early years consisted of watering, pruning, mulching and weeding. These duties were performed by garden club members along with other residents of Trinidad (collectively acknowledged as the Friends of Trinidad Trees). Historically, numerous tree planting projects throughout California fail, according to California ReLeaf, due to lack of continual care in the trees' early lives. With oversight from the Friends of Trinidad Trees, our trees have thrived and now require a minimum of care.

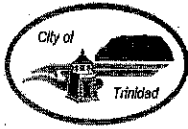
As the trees have matured, so have the garden club members. Active fund-raising is no longer occurring. Therefore, it is our desire that the City of Trinidad assume the responsibility for the cherry trees. This would involve a minimal amount of work, resulting in at least another 30 to 40 years of beauty for the city.

The Patrick's Point Garden Club would like to express our appreciation to Mary Wilbur as the initial project director. She conceived the idea, brought it to the city, and organized the activities necessary to carry it out.

We hope the city will have the vision and desire to continue the project.

Respectfully,

Patricia Chaney
President, Patrick's Point Garden Club



CONSENT AGENDA ITEM 3

SUPPORTING DOCUMENTATION FOLLOWS WITH: 1 PAGES

3. Proclamation 2012-02; Celebrating Girl Scouts 100 year anniversary.

TRINIDAD CITY HALL
P.O. Box 390
409 Trinity Street
Trinidad, CA 95570
(707) 677-0223

Kathy Bhardwaj, Mayor
Gabriel Adams, City Clerk



PROCLAMATION 2012-02:

GIRL SCOUTS OF THE USA CELEBRATES 100 YEAR ANNIVERSARY

WHEREAS, on March 12, 1912 the first Girl Scout meeting was held in Savannah, Georgia; and

WHEREAS, this first meeting was led by Juliette Gordon Low, the founder of Girl Scouts of the USA after visiting the founders of both Boy Scouts and Girl Guides in England; and

WHEREAS, whereas since this first meeting more than 50 million girls have participated in the Girl Scout movement during their childhood; and that number continues to grow as Girl Scouts of the USA continues to inspire, challenge, and empower girls everywhere; and

WHEREAS, there are currently 47,000 girl and 32,000 adult members in the Northern California Council and 3.2 million members in the USA; and

WHEREAS, through its membership in the World Association of Girl Guides and Girl Scouts (WAGGGS), Girl Scouts of the USA is part of a worldwide family of 10 million girls and adults in 145 countries; and

WHEREAS, Girl Scouts is the largest, longest running and most effective leadership program for girls in not only the nation, but the world; and

WHEREAS, 69% of current women US Senators and 65% of women in the House of Representatives were Girl Scouts when they were girls; and

WHEREAS, 55% of all women astronauts are former Girl Scouts and former Girl Scouts have flown in over 1/3 of all space shuttle missions; and

WHEREAS, an estimated 80% of women business executives and business owners were once Girl Scouts; and

WHEREAS, countless women educators, scientists, and women in the media and performing arts discovered their passions and talents as Girl Scouts; and

WHEREAS, 64 % of today's female leaders listed in *Who's Who of American Women* in the United States were once Girl Scouts; and

WHEREAS, Girl Scouts in the 1900's developed the same core values while learning housekeeping and forestry badges as girls today learn while earning computer technology and financial literacy; and

WHEREAS, we know that Girl Scouts develops girls of Courage, Confidence and Character who make the world a better place; and

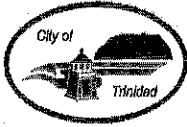
NOW, THEREFORE, BE IT PROCLAIMED, that the City of Trinidad is proud to join the Girl Scouts of Northern California in recognizing the 100th Anniversary of Girl Scouts of the USA.

Attest:

Approved:

Gabriel Adams
City Clerk

Kathy Bhardwaj
Mayor



CONSENT AGENDA ITEM 4

SUPPORTING DOCUMENTATION FOLLOWS WITH: 2 PAGES

- 4 Submit 2012 grant applications to the Humboldt County Indian Gaming Benefit Committee

CITY OF TRINIDAD
INDIAN GAMING GRANT APPLICATION

Project: Road Work Zone Safety Equipment

(1) Description of Project: To enable City of Trinidad to purchase safety equipment to provide safe, manageable and highly visible work zones for the protection of the public and maintenance workers when performing road maintenance, striping and emergency repairs on Scenic Drive and other routes in the City of Trinidad.

(2) Impacts on jurisdiction associated with casino: There is increased traffic on Scenic Drive due to casino customers, vendors and employees. The Cher-Ae-Heights Casino, which has been in the business for over 20 years, is located on the Trinidad Rancheria and is adjacent to the city limits of Trinidad. The only access road to the casino is Scenic Drive, a two-lane city/county road that runs through the eastern portion of Trinidad. Most of the casino's customers, vendors and employees travel from the north on 101, through the City of Trinidad.

(3) How project will mitigate impacts of casino: The project will allow for the purchase of safety equipment to assure the protection of the public and maintenance workers when performing road maintenance, striping and emergency repairs on heavily traveled Scenic Drive and other routes in the City of Trinidad.

(4) Total budget and grant request:

20 tube cones @ \$20	\$ 400
150 day and night high visibility cones @ \$16	\$2,400
Total Request	\$2,800

CITY OF TRINIDAD
INDIAN GAMING GRANT APPLICATION

Project: Scenic Drive Asphalt Pavement Replacement

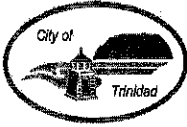
(1) Description of Project: To enable City of Trinidad to grind and replace approximately 2400'sq by 0.2' depth of failed asphalt roadway in the northbound lane of Scenic Dr. near the cross street of Langford Road.

(2) Impacts on jurisdiction associated with casino: There is increased traffic on Scenic Drive due to casino customers, vendors and employees. The Cher-Ae-Heights Casino, which has been in the business for over 20 years, is located on the Trinidad Rancheria and is adjacent to the city limits of Trinidad. The only access road to the casino is Scenic Drive, a two-lane city/county road that runs through the eastern portion of Trinidad. Most of the casino's customers, vendors and employees travel from the north on 101, through the City of Trinidad.

(3) How project will mitigate impacts of casino: By repairing the failed road section on Scenic Drive, the project will improve the safety and roadway integrity of the heavily traveled Scenic Drive and other routes in the City of Trinidad.

(4) Total budget and grant request:

Grind and replace 2400 sq. ft. of Scenic Drive	<u>\$10,000</u>
Total Request	\$10,000



CONSENT AGENDA ITEM 5

SUPPORTING DOCUMENTATION FOLLOWS WITH: 4 PAGES

5. Submit PARSAC grant program application to develop ADA compliance program

CONSENT AGENDA ITEM

Date: March 14, 2012

Item: PARSAC Grant Program Application

Background: Staff has solicited a proposal to develop an ADA Compliance Survey to be funded under the Public Agency Risk Sharing Authority of California (PARSAC) Safety and Loss Control Program. The cost would be on a time and materials basis as described in the attached proposal. Although the consultant was not able to suggest a not to exceed amount without first determining what is in the city's sphere of influence, it is suggested that the grant be submitted for a not to exceed \$5,000 amount at this time.

It should be noted that a survey was conducted by Mr. Jim Cuthbertson in January of 2010 addressing access for disabled people in the Trinidad downtown area, and the results of that survey have been made available to the consultant and will be helpful in developing the ADA compliance survey. Since the Gateway project will address a number of sidewalk ADA issues and will soon be underway, the proposed Compliance Survey would not take place until after that project is completed, so as not to duplicate efforts already completed.

Proposed Action: Authorize the City Manager to sign the Grant Program Application.

Attachments:

Grant Program Application

Grant Program Application

INSTRUCTIONS: Applications may be submitted before or after a project is completed. Priority is given to projects that have a direct impact on employee safety or potential for reducing liability. Routine operating expenses are ineligible for grant awards. If approved, funds are distributed upon PARSAC's receipt of proof of completion. Applications must be signed by the City Administrator or Mayor. For assistance, please call 800-400-2642.

Member Trinidad

Date February 23, 2012

Project Description ADA Compliance Survey

Total Cost \$5,000.00

☐ Actual ☒ Estimated

Completion Date October 1, 2012

☐ Actual ☒ Estimated

If actual, please attach proof of completion.

Please describe how this project will improve the entity's loss control efforts (additional pages may be attached):

Project will identify features within the City of Trinidad that do not comply with ADA law. This will allow for preparation of a timetable for corrective action and will be a tool in budget allocation .

Does this project have to potential to accomplish any of the following (check all that apply):

- ☒ Improve Public Safety ☐ Improve Workplace Safety
☐ Reduce Employee Injuries ☐ Provide Employee Training
☐ Remove a Specific Hazard ☒ Implement a Risk Management Policy/Program

Has the entity committed funds to this project? ☐ Yes \$ _____ ☒ No

Has the entity applied for or received grants from any other source? ☐ Yes ☒ No

If yes: \$ _____ from _____

Completed by: Karen Suiker Email: citymanager@trinidad.ca.gov

Title: City Manager Phone: 707 677-3876

Approved by: _____

☐ Mayor ☒ City Manager

FOR OFFICE USE ONLY

Reviewed by: _____ Subcommittee Review ☐ Yes ☐ No

Grant Amount: _____ Check If: _____ Mailed: _____

Submit application to: PARSAC 1525 Response Road, Ste. 1, Sacramento, CA 95815

THE PURPOSE OF THE ADA COMPLIANCE SURVEY

Even though the City of Trinidad is not required by law to develop an ADA transition plan, surveying the city's facilities and sites is the first step in providing accessibility to avoid the possibility of litigation.

It is important to remember that wheelchair access is not the only factor to consider. There is a need to provide access for people with other impairments such as blindness, hearing loss, balance of stamina problems, and others.

This ADA compliance survey is to bring to the City of Trinidad's attention the access barriers that exist. Completing the removal of barriers outlined in the survey, does not eliminate the chance of litigation. Since interpretation of ADA requirements vary, the preparer of this survey does not accept any liability as to how and when barrier removal is achieved.

PROPOSAL:

Perform ADA (Americans with Disability Act) compliance survey on accessibility within the city right-of-way of city owned buildings and sites. The survey will include but not be limited to the following elements of accessibility: Parking, path of travel (which includes walks, ramps, stairways, etc), building entrances, signage, interior elements, restrooms, etc.

The survey will be divided into two categories: changes that can be easily accomplished and less costly, and changes that are more difficult and more expensive. The more difficult barrier removals should be prioritized and budgeted for.

The compliance survey will list the barriers that exist. Methods and costs for the removal of the barriers will not be included in the survey.

COST:

ADA survey and report	\$40.00 an hour
Travel Time (approx. one hour)	\$40.00 an hour
Photocopy & miscellaneous material	As needed

Scott R. Baker
1250 Ian Lane
McKinleyville, Ca. 95519

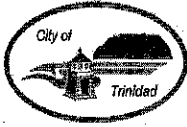
Phone: (707) 839-4148

Fax: (707) 839-4148

EXPERIENCE:

I retired in 2004 from the City of Arcata after 34 years of service. I spent 15 years of this time as the Senior Building Inspector, and 19 years as a Civil Engineering Technician in the Public Works Department. Ten of these years, I acted as the ADA coordinator as it related to the projects within the city right-of-way and city owned property and buildings. I assisted in developing the ADA transition plan for the City of Arcata.

April of 2009: I performed ADA compliance survey and prepared report for the Northcoast Unified Air Quality Management District.



CONSENT AGENDA ITEM 6

SUPPORTING DOCUMENTATION FOLLOWS WITH: 3 PAGES

6. City of Trinidad Pavement Management Program Report

CONSENT AGENDA ITEM

Date: March 14, 2012

Item: City of Trinidad Pavement Management Program Report

Background: In 2009 the Humboldt County Association of Governments commissioned a Pavement Management Program to assist member entities and Native American Tribes in determining roadway maintenance, rehabilitation and reconstruction needs, and provide support for prioritizing the efficient use of limited resources. The final report has now been completed, and the Executive Summary is attached, which shows the average pavement condition index (PCI) for the approximately 3.3 miles of roadway maintained by the City of Trinidad to be in the "good to excellent" condition category. Also attached is the Inventory and PCI for the individual street segments. The full report is available at Town Hall.

Proposed Action: Receive and file

Attachments:

Executive Summary

Inventory and PCI Summary

Executive Summary

The City of Trinidad maintains approximately 3.3 centerline miles of paved streets. A pavement management system (PMS) is used to maintain this pavement network. Based on the results of a survey completed in Fall 2009, the current (2012) average pavement condition index (PCI) is 75, which is in the "good to excellent" condition category. A breakdown of the percentages of the County's network that fall into each condition category is found in Figure 1 below.

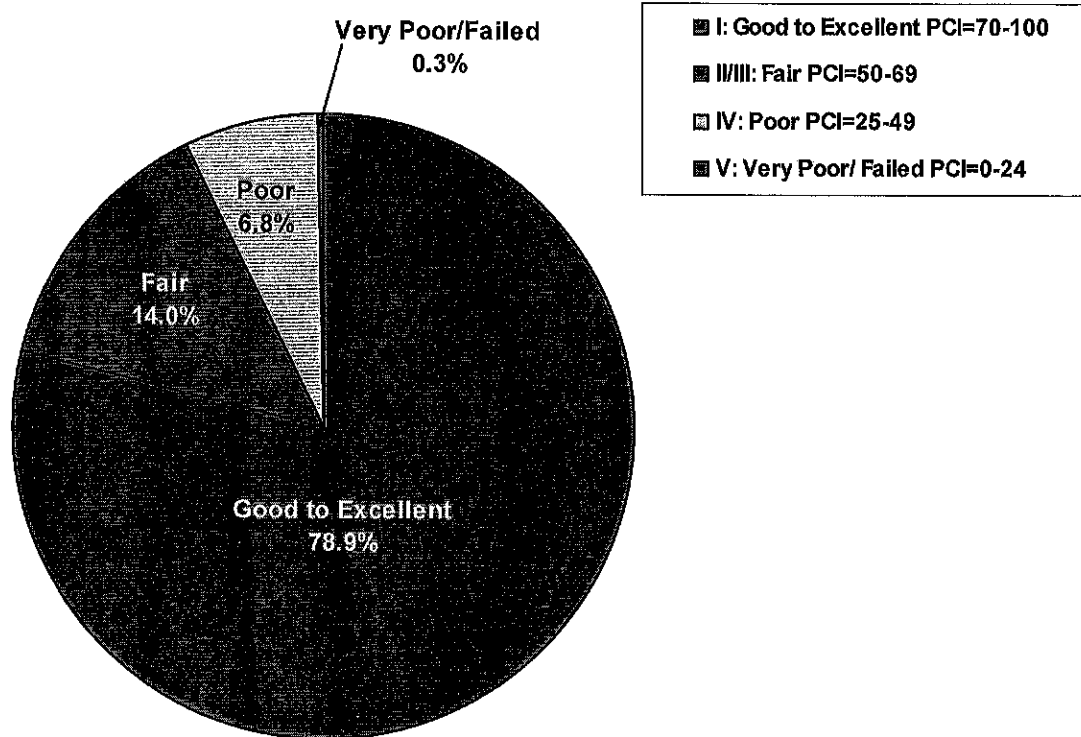


Figure 1. Pavement Condition Summary for City of Trinidad (2012)

This report is intended to assist HCAOG in making cost-effective decisions in managing and programming funding needs for the pavement network.

The pavement needs analysis shows that more than \$544k is required over the next ten years to repair all the streets and improve the average PCI to 84 ("good to excellent" condition category). This will also eliminate the maintenance backlog.

Two funding scenarios were analyzed:

1. Maintain Current PCI at 75 – In order to maintain the current PCI at 75, an annual budget of \$52k will be needed; however, the maintenance backlog will increase from \$110k to \$274k.
2. Unconstrained Needs Budget (\$544k/10 yrs) – Under this budget scenario, the City's network condition will improve to 84 by 2021

City of Trinidad
Pavement Management Program
Inventory and PCI Summary

12/21/2011

Area	Street ID	Section ID	Street Name	Begin	End	Length	Width	FC	ST	PCI Date	PCI
Trinidad	T-AZAWAY	010	AZALEA WAY	PACIFIC CT	EDWARDS ST	122	11	R	A	10/19/2009	16
Trinidad	T-BERRRD	010	BERRY ROAD	TRINIDAD FRONTAGE RD	NE END	1,085	16	R	A	10/19/2009	82
Trinidad	T-EASTST	010	EAST STREET	OCEAN AVE	VIEW AVE	353	21	R	A	10/19/2009	85
Trinidad	T-EDWAST	010	EDWARDS STREET	SW END	PIER PARKING LOT	701	30	R	A	10/19/2009	95
Trinidad	T-EDWAST	020	EDWARDS STREET	GALINDO ST	HECTOR ST	710	30	R	A	10/19/2009	77
Trinidad	T-EDWAST	030	EDWARDS STREET	HECTOR ST	TRINITY ST	302	36	R	A	10/19/2009	95
Trinidad	T-EDWAST	040	EDWARDS STREET	TRINITY ST	OCEAN AVE	316	34	R	A	10/19/2009	38
Trinidad	T-EWINST	010	EWING STREET	EDWARDS ST	N END	479	18	R	A	10/19/2009	95
Trinidad	T-GALJST	010	GALINDO STREET	VAN WYCKE ST	EDWARDS ST	289	22	R	A	10/19/2009	76
Trinidad	T-HECTST	010	HECTOR STREET	EDWARDS ST	UNDERWOOD ST	358	18	R	A	10/19/2009	87
Trinidad	T-H101UP	010	HIGHWAY 101 UNDER PASS	HIGHWAY 101 SB OFF RAMP	HIGHWAY 101 NB OFF RAMP	304	26	R	A	10/19/2009	49
Trinidad	T-HIMADR	010	HIMALAYA DRIVE	BERRY RD	E END	640	17	R	A	10/19/2009	81
Trinidad	T-LANFRD	010	LANFORD ROAD	SCENIC DR	N CDS	995	17	R	A	10/19/2009	63
Trinidad	T-MAINST	010	MAIN STREET	TRINITY ST	HIGHWAY 101 SB OFF RAMP	1,023	38	R	A	10/19/2009	82
Trinidad	T-OCEAVE	010	OCEAN AVENUE	EDWARDS ST	MAIN ST	919	21	R	A	10/19/2009	82
Trinidad	T-PARKST	010	PARKER STREET	HECTOR ST	TRINITY ST	325	24	R	A	10/19/2009	85
Trinidad	T-PAODR	010	PATRICKS POINT DRIVE	MAIN ST	N CITY LIMIT	294	31	R	A	10/19/2009	55
Trinidad	T-SCENDR	010	SCENIC DRIVE	MAIN ST	LANFORD RD	1,665	22	R	A	10/19/2009	95
Trinidad	T-SCENDR	020	SCENIC DRIVE	LANFORD RD	S CITY LIMIT	1,563	22	R	A	10/19/2009	72
Trinidad	T-STAGR	010	STAGECOACH ROAD	MAIN ST	N CITY LIMIT	172	20	R	A	10/19/2009	95
Trinidad	T-STPARD	010	STATE PARK ROAD	W END	STAGECOACH RD	871	20	R	A	10/19/2009	76
Trinidad	T-TRFRD	010	TRINIDAD FRONTAGE ROAD	WESTHAVEN DR	BERRY RD	398	31	R	A	10/20/2009	80
Trinidad	T-TRINST	010	TRINITY STREET	EDWARDS ST	MAIN ST	891	35	R	A	10/19/2009	78
Trinidad	T-UNWDDR	010	UNDERWOOD DRIVE	N END	HECTOR ST	829	14	R	A	10/19/2009	79
Trinidad	T-VAWYST	010	VAN WYCKE STREET	EDWARDS ST	E END	535	16	R	A	10/19/2009	86
Trinidad	T-VIEAVE	010	VIEW AVENUE	EAST ST	MAIN ST	760	23	R	A	10/19/2009	84
Trinidad	T-WESTST	010	WEST STREET	TRINITY ST	OCEAN AVE	306	20	R	A	10/19/2009	60
Trinidad	T-WESTDR	010	WESTHAVEN DRIVE	HIGHWAY 101 NB OFF RAMP	E CITY LIMIT	303	28	RMiA	A	10/19/2009	85



CONSENT AGENDA ITEM 7

SUPPORTING DOCUMENTATION FOLLOWS WITH: 10 PAGES

7. Authorize the City Manager to sign a revised Green Diamond California Timberlands Master Land Use Permit for the Luffenholtz Creek Sediment Reduction Project.

CONSENT AGENDA ITEM

Date: March 14, 2012

**Item: AUTHORIZE CITY MANAGER TO SIGN A REVISED
“GREEN DIAMOND CALIFORNIA TIMBERLANDS
MASTER LAND USE PERMIT” FOR THE LUFFENHOLTZ
CREEK SEDIMENT REDUCTION PROJECT**

Background: In December 2011, the city council authorized the City Manager to sign the “Green Diamond California Timberlands Master Land Use Permit” for the Luffenholtz Creek Sediment Reduction Project. This project will improve water quality at the City’s water intake by reducing turbidity due to high sediment concentrations in Luffenholtz Creek through treatments of unpaved roads on Green Diamond Resource Company (GDRC) land in the upper watershed. A revision of this permit was necessary to provide clarity on Sections 5. F. & G, 8.G and 10.F. The Green Diamond California Timberlands Master Land Use Permit will enable a city agent to enter Green Diamond property periodically for 20 years in order to verify that the Luffenholtz Sediment Reduction Project improvements are being maintained as required by the CDPH Drinking Water Source Protection funding agreement. The revised permit has been reviewed by the city attorney.

Staff Recommendation: Authorize City Manager to sign the revised *Green Diamond California Timberlands Master Land Use Permit*.

**Attachments: GREEN DIAMOND CALIFORNIA TIMBERLANDS
MASTER LAND USE PERMIT**

GREEN DIAMOND RESOURCE COMPANY

**CALIFORNIA TIMBERLANDS
MASTER LAND USE PERMIT**

This MASTER LAND USE PERMIT Agreement (the "Permit") is made by and between GREEN DIAMOND RESOURCE COMPANY, a Washington corporation (hereinafter "Green Diamond") and CITY OF TRINIDAD, CALIFORNIA (hereinafter "Permittee").

1. GRANT OF PERMISSION AND PERMIT AREA

In consideration of Permittee's promises contained in this Permit, Green Diamond hereby grants to Permittee the non-exclusive permission to enter and use, subject to the terms and conditions hereof, Green Diamond's property, including permitted access routes to and from such property, more specifically described in the map titled "Luffenholtz Creek Treatment Sites" (the "Permit Area") included in the Scope of Work incorporated herein as a portion of Exhibit A to this Permit. Permittee shall acquaint itself with and confine the Activities within the Permit Area boundaries, and shall be responsible and liable for any trespass outside such boundaries that occurs as a result of the Activities.

2. PERMITTED USE

The Permit Area and any existing improvements in the Permit Area may be used by Permittee solely for the purpose(s) described in Exhibit A, Section I (the "Activities"). Permittee is solely responsible for the cost of the Activities including the modification and installation of improvements in the Permit Area. Unless otherwise authorized herein, before modifying or installing improvements in the Permit Area, Permittee shall obtain Green Diamond's written approval of a written proposal to install such improvements in the Permit Area.

3. PERMIT TERM

The term of this Permit shall commence on the date of project completion per California Department of Public Health requirements (the "Effective Date") and, unless earlier terminated in accordance with this Permit (Exhibit A, VIII), shall expire based on the authorized Activities set forth in Exhibit A, Section I as follows:

- A. Activities A – G are authorized through July 1, 2014 unless the Permit is earlier terminated in accordance with the terms hereof.
- B. Activity H (monitoring) is permitted through the twentieth (20th) anniversary of the completion date of the Permitted Activities (A-G), which shall be no later than July 1, 2034.

4. RESERVATION OF RIGHTS

A. This Permit and Permittee's privileges hereunder are personal and shall not be assigned, in whole or in part, without the express written consent of Green Diamond, which may grant or deny such consent within its sole discretion.

B. Permittee will never assail or resist Green Diamond's title or claim any interest or estate whatever in the Permit Area by virtue of this Permit or the exercise or privileges given hereunder. This Permit does not convey an interest in real property and it shall not be recorded in the real property records of Humboldt County, California.

C. By acceptance of this Permit, Permittee acknowledges that the Permit Area and Green Diamond's property surrounding the Permit Area are commercial timberland, and Green Diamond manages its property for timber production including, but not limited to, harvesting, slash burning, and herbicide application. Permittee shall exercise its privileges under this Permit so as to avoid any interference with Green Diamond's use of its own property as commercial timberland or with the exercise by other permittees of privileges that Green Diamond may give them in the Permit Area. Permittee further agrees that Permittee will not object to any lawfully conducted timber harvesting, management activities and/or development of property carried out by Green Diamond or its agents, other permittees, lessees, contractors, successors, or assigns.

D. The privileges granted herein to Permittee are given expressly subject to existing encumbrances, regulatory requirements, and other matters of record affecting the privileges in any manner whatsoever. Green Diamond does not warrant that it has authority to permit the Activities on behalf of any third party and Permittee shall secure all other permits, privileges or rights required for the lawful conduct of the Activities. Green Diamond does not warrant title to the Permit Area and shall not be liable for defects thereto or failure thereof.

E. Green Diamond makes no representation as to the present or future conditions of the Permit Area and its fitness for the Activities under this Permit. Permittee accepts this Permit subject to all danger or injury to persons and damages or destruction to property while Permittee is on or about the Permit Area. In this regard, Permittee assumes all risk of injury or death to individuals who are on the Permit Area pursuant to this Permit and all risk of damage to property upon or in proximity to the Permit Area with Permittee's knowledge or consent, without regard to whether such injury or damage is occasioned by known or unknown, hidden or disclosed defects in the Permit Area or by the negligence of Green Diamond or any person in the employ or service of Green Diamond.

F. Green Diamond reserves the right to enter and inspect the Permit Area at any time.

5. GENERAL CONDITIONS FOR USE OF THE PERMIT AREA

A. Permittee shall not perform any disorderly conduct or commit any nuisance on the Permit Area, and shall maintain the Permit Area in an orderly, clean and sanitary manner as required by Green Diamond. Permittee shall carry on all Activities in the Permit Area in a careful manner and shall comply, at Permittee's expense, with all laws, regulations and permits of any municipal, state, or federal authority that are applicable to Permittee's activities. Permittee's agreement to comply shall include any programmatic or generally applicable local, state or federal government regulatory permits held by Green Diamond and applicable to the Permit Area, including, without limitation, incidental take permits held by Green Diamond. Green Diamond reserves the right to require Permittee to take affirmative steps to review and comply with permits noticed by Green Diamond and to promptly comply when Green Diamond requests specific action to conform the Activities with the requirements of a permit noticed to Permittee.

B. Permittee shall keep the Permit Area free from any liens or encumbrances arising out of any work performed by Permittee, materials furnished by Permittee, or obligations incurred by Permittee. Green Diamond shall have the right to pay and discharge any lien imposed against Green Diamond's property due to Permittee's breach of the aforesaid covenant. Permittee shall reimburse Green Diamond for the amount so paid, including the reasonable expenses of Green Diamond in connection therewith, within thirty (30) days of receiving notice from Green Diamond of any such payment with interest thereon at the rate of seven (7) percent per annum from the date of payment thereof by Green Diamond until the repayment thereof by Permittee. If Green Diamond shall exercise the option to make such payments, it shall not be obligatory on Green Diamond to inquire into the validity of any such lien unless Permittee shall have given notice to Green Diamond that said lien was being challenged and shall have furnished to Green Diamond the bond of a surety company or other security satisfactory to Green Diamond, in an amount satisfactory to Green Diamond, securing Green Diamond against the payment of the lien so contested and against any loss, damage, or penalty arising from Permittee's failure to pay it.

C. Permittee shall promptly report to Green Diamond any violations of any laws, regulations, or permits relating to the Activities of which Permittee has knowledge and shall promptly send to Green Diamond a copy of any notice of violation received by Permittee that relates to the Activities. A copy of all citations or other written documents Permittee receives from any agency shall accompany the notice of violation.

D. Permittee shall take reasonable care to prevent wildfires from igniting on or spreading onto the Permit Area. If a wildfire should occur on or near the Permit Area, Permittee shall immediately notify Green Diamond and appropriate government agencies and shall make any on-site equipment available to help suppress or contain the fire. Permittee shall comply with all fire prevention and suppression measures that Green Diamond may specify from time to time relating to Permittee's use of the Permit Area. Permittee shall comply with all applicable state fire safety standards including requirements (if any) to maintain special equipment in vehicles. Permittee shall reimburse Green Diamond for all damages (including loss or damage to timber, and fire suppression costs) resulting from wildfires caused by Permittee's activities, even if not attributable to negligence by Permittee or its agents.

E. In the event of dangerous fire weather, possible damage to roads, or potential or actual interference with Green Diamond's operations, Green Diamond shall notify Permittee's representative and Permittee shall immediately suspend the Activities or take steps to remedy the situation as Green Diamond may direct.

F. Permittee agrees to use only ATVs on unsurfaced (dirt) seasonal roads during the winter period. The winter period is defined as the period from October 16th through May 14th. Other vehicular use of seasonal roads may be allowed from May 1st through May 14th if "early spring drying" occurs or from October 16th through November 15th if an "extended dry fall" occurs. Other vehicular use during these periods is subject to approval by Green Diamond. Any damage caused to drainage or erosion control structures by using ATVs on any road will be repaired immediately following damage.

G. During the summer period, which is defined as the period from May 15th to October 15th, Permittee agrees to cease using vehicles on Green Diamond's roads when weather conditions make driving hazardous or may have a detrimental impact to the environment, including, but not limited to, the occurrence of rain in sufficient quantity and duration that driving would result in rutting and deformation of the road surface, degradation of water-bars, or tracking of mud onto public roadways.

H. Permittee shall not unnecessarily damage trees or other vegetation while conducting the Activities, and shall not cut trees.

I. Unless otherwise permitted herein, the Activities shall be confined to normal business hours.

J. Permittee shall obey all posted traffic and speed regulations on Green Diamond's roads.

K. If any portion of the Permit Area requires access through a locked gate owned or maintained by Green Diamond, Green Diamond shall issue Permittee copies of key(s) needed to open gates for the Activities herein. Permittee shall not copy the key(s) provided by Green Diamond unless permitted to do so in writing by Green Diamond. Permittee shall return any key(s) that has been so issued at the termination or expiration of this Permit. Permittee shall pay a one hundred dollar (\$100) fee per key for any key(s) that is not so returned. Permittee shall keep gates closed and locked unless otherwise instructed by a Green Diamond representative.

L. Unless otherwise waived in writing by Green Diamond, Permittee shall, at the time this Permit is executed, provide Green Diamond with (1) the names and addresses of all individuals to enter the Permit Area; (2) a list of the license plate numbers; and (3) a description of the vehicles used for entry to the Permit Area. To the extent it is not feasible to provide any of the information required at the time the Permit is executed, then Permittee shall provide any missing information prior to commencement of the Activities. Any amendments or updates to the information shall be supplied as soon as known to the Administrative Forester at

Attn: Administrative Forester
Green Diamond Resource Co.
P.O. Box 68
Korbel, CA 95550-0068

Permittee shall keep its copy of the completed Vehicle Authorization form, attached as Exhibit B, displayed on the dashboard in any vehicle used to access the Permit Area. Green Diamond waives these requirements for road use-only permits.

6. INDEMNITY

A. Permittee shall, to the fullest extent permitted by law, indemnify, defend, and hold harmless Green Diamond and its agents, contractors, successors, or assigns from and against any and all liability for damages, costs, losses, and expenses resulting from, arising out of, or in any way connected with the occupation or use of the Permit Area by Permittee or anyone else entering the Permit Area at Permittee's direction or invitation, or the failure on the part of Permittee to perform fully its promises contained herein. This indemnity obligation shall apply whether such liability is caused by or contributed to by Green Diamond or any other party indemnified herein, unless caused by the sole active negligence or willful misconduct of Green Diamond.

B. In any and all claims against Green Diamond by any employee of Permittee, any contractor, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, Permittee's indemnification obligation shall not be limited in any way by any limitation on the amount or type of damage, compensation, or benefits payable by or for Permittee or any contractor under any industrial insurance act, workers' compensation act, disability benefit act, or other employee benefit act, and Permittee hereby expressly waives any immunity it may have under such acts to the extent necessary or permitted under the law to assure the validity and enforceability by Green Diamond of Permittee's aforesaid indemnification obligation.

7. HAZARDOUS MATERIALS

In the event of a spill or release of Hazardous Materials, Permittee shall promptly comply with all federal, state, and local spill notification and response requirements and shall notify Green Diamond of the spill event. Permittee shall be responsible for the response and restoration costs of any release of Hazardous Materials in connection with the Permit, and shall indemnify, defend, and hold harmless Green Diamond from any liability arising from claims or damages in connection with such release. "Hazardous Materials" shall mean any pollutant, contaminant, chemical, or hazardous, toxic or dangerous waste, substance, chemical, or material, or any other substance or material regulated or controlled pursuant to any environmental laws now or at any time hereafter in effect.

8. INSURANCE

Unless otherwise provided in Exhibit A, Permittee, at its expense, shall procure insurance with companies satisfactory to Green Diamond covering Permittee against risks and with minimum limits as indicated below:

A. If applicable, Workers' Compensation (statutory amount) and Employer's Liability (\$1,000,000).

B. Commercial General Liability insurance of \$1,000,000 combined single limit Bodily Injury and Property Damage each occurrence. Extensions of coverage to include Contractual Liability, Products/Completed Operations, Cross Liability, and Pollution arising out of heat, smoke or fumes from Hostile Fires. Additionally, the policy shall not exclude X, C or U (Explosion, Collapse, or Underground).

C. Commercial Automobile Liability insurance with minimum limits of \$1,000,000 per occurrence combined single limit of Bodily Injury and Property Damage coverage. Coverage shall extend to all owned, hired, or non-owned vehicles.

D. The policies specified in 8.B. and 8.C. above shall include an endorsement which shall name Green Diamond and its employees, officers, directors and agents as additional insureds on a primary basis for the duration of the Permit term. The additional insured endorsement must be ISO CG20 26 11 85 (or other form with like wording). Additional insured status gives the additional insured rights of indemnity under the policies that are independent of the contractual requirement to indemnify.

E. The policies specified in 8.A., 8.B., and 8.C. above shall include an endorsement which shall provide that Green Diamond be given a thirty (30)-day written notice prior to cancellation or material change to the policy.

F. All liability coverage must be on an "occurrence" basis as opposed to "claims made."

G. Permittee hereby waives any subrogation claim against Green Diamond by its insurers under the policies specified in subsections 8.A, 8.B and 8.C above, for damages arising from any peril insured against under such policies. If necessary, the policies specified in subsections 8.A, 8.B and 8.C above shall include an endorsement allowing this waiver of subrogation claims.

H. All insurance shall be in a form sufficient to protect Permittee against the claims of third persons, and to cover claims by Green Diamond against Permittee or other parties for which Permittee has assumed liability under this Permit.

I. Prior to the commencement of the Activities, Permittee shall furnish Green Diamond a certificate(s) of insurance, dated and signed by a stated, authorized agent for the insuring company or companies, in a form acceptable to Green Diamond and containing a representation that coverage of the types listed above is provided with the required limits. Green Diamond reserves the right to require a certified copy of the policy(ies) or to examine the actual policy(ies).

9. NOTICE

Any notice required or permitted to be delivered hereunder shall be in writing and shall be deemed given and received when personally delivered or three (3) days after deposit in the United States Mail, postage prepaid, Certified or Registered Mail, Return Receipt requested, addressed to Permittee or Green Diamond, as the case may be, to the following address:

If to Permittee:

Attn: Watershed Coordinator
City of Trinidad
P.O. Box 390
409 Trinity Street
Trinidad, CA 95501

Tel: (707) 677-0223

If to Green Diamond:

Attn: Administrative Forester
Green Diamond Resource Co.
P.O. Box 68
Korbel, CA 95550-0068

Tel: (707) 668-4424

10. INTERPRETATION

A. This Permit shall be governed by and construed in accordance with the laws of the State of California, without regard to the conflicts of law principles of such state.

B. A party's waiver of any right hereunder or of any other party's breach or failure to perform shall not be deemed a waiver of any other right hereunder or of any other breach or failure by the other party, whether of a similar nature or otherwise.

C. If any term or condition of this Permit is found unenforceable, the remaining terms and conditions will remain binding upon the parties as though said unenforceable provision were not contained herein.

D. Terms and conditions of this Permit which, by their sense and context, survive the termination, cancellation, or expiration of this Permit, including, but not limited to, Permittee's obligations under Sections 6, 7, 8 and 11, shall so survive.

E. This Permit constitutes the entire agreement of the parties with respect to the matters described herein and supersedes all prior written or oral negotiations or agreements with respect thereto. Each party to this Permit acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by either party, or anyone acting on behalf of either party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Permit shall be valid or binding. Any modification of this Permit will be effective only if it is in writing signed by both parties, and the amended Permit remains subject to the enforcement provisions of this Permit.

F. Green Diamond shall require any successor to an ownership interest in the real property covered by the Permit Area to assume Green Diamond's obligations under the Permit. This Permit shall bind and inure to the benefit of the successors, and permitted assignees of the respective parties.

G. Each of the parties hereto has been or has had the opportunity to be represented, to the extent desired, by legal counsel of its choice in respect to this transaction. No provision of this Permit shall be construed against one party as the drafter of the Permit for that provision.

11. ENFORCEMENT

A. If an action is instituted to enforce any of the terms, covenants, conditions or agreements contained in this Permit or if an action is commenced because of any breach hereof, then the prevailing party in such action shall be entitled to all of its costs and reasonable attorneys' fees as fixed by the trial and appellate courts in said action.

B. Permittee and Green Diamond hereby expressly and irrevocably waive all right to a trial by jury in any action, proceeding, claim, counterclaim or other litigation arising out of or relating to the Permit or any of the activities or events referenced in this Permit.

12. EXECUTION

A. Unless otherwise provided herein, this Permit shall be effective on the last date of execution by the undersigned parties. This Permit shall not be binding upon either Party until approved and signed by each Party.

B. Each of the undersigned represents that they have sufficient authority to execute this binding Permit on behalf of the party they represent.

C. This Permit may be executed in one or more counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute the same instrument, which may be sufficiently evidenced by one counterpart.

IN WITNESS WHEREOF the parties hereto have caused this instrument to be executed as below subscribed.

THE TERMS OF THIS PERMIT ARE HEREBY ACCEPTED.

PERMITTEE

GREEN DIAMOND RESOURCE COMPANY

By: _____

By: _____

Print: _____

Print: Neal D. Ewald

Title: _____

Title: Vice President and General Manager,
California Timberlands

Date: _____

Date: _____

2/17/12

GREEN DIAMOND RESOURCE COMPANY

EXHIBIT A
RESTORATION OR ENHANCEMENT PROJECTS
CALIFORNIA TIMBERLANDS

I. **Permitted Activities.** The Activities authorized by this Permit include the following:

- A. Road Assessments
- B. Road Decommissioning Projects
- C. Road Upgrade Projects
- D. In-Stream Habitat Assessments
- E. In-Stream Habitat Projects
- F. Riparian Enhancement Projects
- G. Hydrologic Restoration Projects
- H. Monitoring

The Permitted Activities shall be implemented consistent with the Scope of Work attached to this Exhibit A. All projects altered or installed pursuant to the Scope of Work shall be referred to herein as the "Project." Permittee shall provide Green Diamond with the opportunity to seek regulatory approval for the Project under one or more timber harvesting plans prepared by Green Diamond. Any changes to the Scope of Work must be approved in writing by Green Diamond. Permittee's vehicular ingress to and egress from the Permit Area is authorized via the CR 1000 road connecting to a public road at Crannell.

II. **Permitted Parties.** The entry permission herein shall extend only to the Permittee, its employees, agents or contractors involved in the Activities, as well as governmental representatives who are authorized to examine the Permittee Project or Activities, and they shall collectively be described as "Permittee."

III. **Conditions Specifically Relating to Activities.**

A. Permittee represents that it or its contractor is experienced and competent in performing the Activities. Permittee shall carry on all Activities in a diligent, workmanlike manner in accordance with the highest standards and practices recognized in the industry.

B. Permittee agrees to provide and pay for all labor, equipment, materials and supplies to complete the Activities.

C. Access for inspection and monitoring of the Project will be permitted for a period of not less than 20 years and ending no later than July 1, 2034, (the "Monitoring Term") for the purpose of annual monitoring and inspection and any additional follow-up inspections to annual monitoring.

D. During the Monitoring Term, Green Diamond shall be responsible for maintenance of the Project consistent with the requirements of California Forest Practices regulations and the federally-approved Green Diamond Resource Company Aquatic Habitat Conservation Plan (2007) in effect at the time of project construction and to a level equal or greater than the Project as constructed.

E. Green Diamond and the Permittee will coordinate annual monitoring and inspection of the completed Project during the Monitoring Term through representatives of the Permittee and of Green Diamond designated in III.C. above or their successor in that position. Permittee shall provide Green Diamond with notice concerning any maintenance obligations identified during an annual monitoring inspection and such notice shall include a description of the measures necessary to satisfy the requirements of this Permit consistent with the California Forest Practices regulations and/or the federally-approved Green Diamond Resource Company Aquatic Habitat Conservation Plan (2007) in effect at the time of project construction.

IV. No Monetary Consideration. There is no fee or other monetary consideration paid by Permittee for access to the Permit Area as described herein. Permittee acknowledges that it has requested that Green Diamond make the Permit Area available to it for the Activities, and that Green Diamond has not specifically invited use of the Permit Area by Permittee. Depending on the Activities permitted herein, Section 846 of the California Civil Code, which provides landowners with immunity from potential liability, may apply.

V. Insurance.

Permittee shall require all contractors that Permittee engages to perform work on the Project to satisfy the same insurance requirements applicable to Permittee under Section 8 of the Permit.

VI. Employees. It is understood and agreed that no relationship of employer and employee is or shall be deemed to exist either between Green Diamond and Permittee or between Green Diamond and any other person or persons performing labor or services on behalf of Permittee. Permittee shall furnish and be responsible for its own employees, agents and equipment. It is expressly understood that Green Diamond has no authority over Permittee's agents or employees, and any complaint by Green Diamond about Permittee's agents or employees will be brought by Green Diamond to Permittee's attention for resolution by Permittee. Permittee shall comply with all federal, state and local laws and regulations governing agricultural employees/farm labor contractors, and migrant or seasonal agricultural workers, including the Migrant and Seasonal Agricultural Worker Protection Act and the California Farm Labor Contracting Act, and any wage, overtime and deduction laws and regulations.

VII. Safety. Permittee shall comply with all applicable federal, state, and local safety and health laws, regulations and standards and if applicable shall operate under a current Injury and Illness Prevention Plan that complies with section 3203 of Title 8 of the California Code of Regulations. Permittee is responsible for safety and health conditions in connection with the Activities and has primary and ultimate responsibility for instructing and supervising its employees on safe work practices. Permittee shall immediately notify Green Diamond and others at the Permit Area whenever Permittee becomes aware of a hazard that Permittee cannot remove or correct immediately.

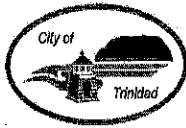
VIII. Termination.

Subject to notice from Green Diamond to Permittee and a fifteen (15)-day opportunity for Permittee to cure, Green Diamond shall have the right to terminate this Permit at any time in the event of Permittee's breach or default in the performance of its obligations hereunder. Such termination may occur even though Permittee may have expended time and money on the Activities. If such termination occurs, Green Diamond shall ensure the Project maintenance and monitoring requirements are fulfilled through the 20-year Monitoring Term as described under III C and D, above.

SCOPE OF WORK

RESTORATION OR ENHANCEMENT PROJECTS, CALIFORNIA TIMBERLANDS

Permittee	City of Trinidad
Area	Luffenholtz Watershed (CR 1000)
Description of Work/Project	City of Trinidad Prop. 50 Source Water Protection Project (see attached 9 page Scope of Work)



CONSENT AGENDA ITEM 8

SUPPORTING DOCUMENTATION FOLLOWS WITH: 2 PAGES

8. Resolution 2012-02: Requesting an increase in ARRA grant funds for Town Hall furnace replacement project.

CONSENT AGENDA

Date: March 14, 2012

Item: Request an Increase in the Grant Funds to be Reimbursed for Completion of the Trinidad Town Hall Energy Efficiency Project through the American Reinvestment and Recovery Act (ARRA): Collaborative Participant's Authorizing Resolution

Background: Sealed bids were solicited for the project to 1) insulate the Town Hall Ceiling; 2) Install a 95% efficient 100,000 btu/hour furnace and a 95% efficient 60,000 btu/hour furnace to replace existing equipment; and 3) Install a ventilation system in the main room of the City Hall. Bids were received and opened on November 7, 2011. The bids were awarded on November 9, 2011 for a total of \$20,361.

This project is funded by the American Recovery and Reinvestment Act (ARRA) Energy Efficiency and Conservation Block Grant (EECBG) through a sub grantee agreement with the County of Humboldt. The project budget was \$24,000 for completing this project.

The contractors completed the project work as agreed in January 2012. At that time, the furnace contractor notified the city that additional work for a total of \$5,227 would be needed to get the 2nd furnace operating properly. The city would like to request an increase of the grant funds to be reimbursed of up to \$27,000 to cover all the work needed to complete the Trinidad Town Hall Energy Efficiency Project.

Proposed Action: Approve the resolution to increase the maximum grant funds for this project, as recommended by staff.

Attachments: Resolution 2012-02

TRINIDAD CITY HALL
P.O. Box 390
409 Trinity Street
Trinidad, CA 95570
(707) 677-0223

Kathy Bhardwaj, Mayor
Gabriel Adams, City Clerk



RESOLUTION 2012-02

Request an Increase in the Grant Funds to be Reimbursed for Completion of the Trinidad Town Hall Energy Efficiency Project through the American Reinvestment and Recovery Act (ARRA): Collaborative Participant's Authorizing Resolution

WHEREAS, the **City of Trinidad** recognizes that it is in the interest of the regional, state, and national economy to stimulate the economy; create and retain jobs; reduce fossil fuel emissions; and reduce total energy usage and improve energy efficiency within our jurisdiction; and

WHEREAS, Energy Efficiency and Conservation Block Grant (EECBG) funds are available through the California Energy Commission's EECBG Program for grants to eligible local governments for cost-effective energy efficiency projects; and

WHEREAS, the EECBG Program allows for public agencies or non-profit entities to apply for EECBG funds on behalf of eligible local governments; and

WHEREAS, the **City of Trinidad** is eligible for EECBG funding under the California Energy Commission's EECBG Program; and

WHEREAS, on January 6, 2010 the **City Council of the City of Trinidad** adopted Resolution 2010-01 authorizing the submittal of an application for funding under this program; and

WHEREAS, the **City of Trinidad** is collaborating with the **County of Humboldt (on behalf of the North Coast Integrated Regional Water Management Plan)** and has completed the Trinidad Town Hall Energy Efficiency Project qualifying for EECBG funds from the California Energy Commission; and

Be it also resolved, that the **City of Trinidad** requests reimbursement of up to \$27,000 in EECBG funds from the **County of Humboldt** for actual expenses incurred and paid for by the city to complete the Trinidad Town Hall Energy Efficiency Project.

PASSED AND ADOPTED BY THE TRINIDAD CITY COUNCIL of Humboldt County of the State of California this 14th day of March, 2012.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the Trinidad City Council by the following vote:

Ayes:
Noes:
Absent:
Abstain:
Attest:

Gabriel Adams
Trinidad City Clerk

Kathy Bhardwaj
Mayor



AGENDA ITEM 1

SUPPORTING DOCUMENTATION FOLLOWS WITH: 35 PAGES

1. 2010-2011 Audit Report – teleconference with Auditor begins promptly at 7:30pm

DISCUSSION/ACTION AGENDA ITEM

Date: March 14, 2012

Item: PRESENTATION AND ACCEPTANCE OF THE FY2011 ANNUAL AUDIT

Background: The firm of Marcello and Company, Certified Public Accountants, has performed the fiscal and management audit for the City of Trinidad for the past eight years. The principal in the firm, Ralph Marcello, has personally performed these audits and is keenly aware of the City's practices and finances.

The prior year audit required over fifty (50) adjusting journal entries to correct or adjust various account balances in order to properly complete the audit. This audit required only nine (9) such adjustments, and is an indication of improvement in the bookkeeper's ability to provide accurate and complete financial schedules, and improved coordination between city staff and its bookkeeping services provided by the firm of Cunningham, Malone & Morton, CPA's.

Mr. Ralph Marcello, CPA, will be available via telephone connection during the Council's discussion of this item. This is to save the travel costs that would be associated with an on-site visit. Should there be sufficient concerns and questions to warrant a personal appearance before the Council, staff will make necessary arrangements for that to occur at a future Council meeting.

Mr. Marcello is again willing to perform the audit for FY2011-12 at the same cost as the prior year (\$18,000 financial audit, \$900 reimbursable expenses, \$2,000 preparation of financial statements), and staff recommends continuation of this satisfactory arrangement. Due to Mr. Marcello's knowledge of the city's financial practices and methods, he requires minimal support from the city's limited staff to conduct his audit.

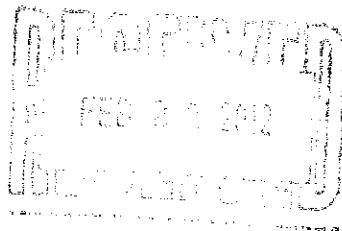
- Recommended Actions:
1. Accept the FY2011 Annual Financial Audit; and
 2. Authorize the City Manager to execute an Audit Engagement Letter to perform the FY2011-12 audit at the same costs as the prior year.

Attachments: Copies of the Annual Audit were provided to each member of the Council. It is available for public review in Town Hall.

CITY OF TRINIDAD
California

Annual Financial Report

June 30, 2011



CITY OF TRINIDAD

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MARCELLO & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

2701 Cottage Way, Suite 30 / Sacramento, California 95825

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor
Members of the City Council
City of Trinidad, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Trinidad, California, as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Because of the inadequacy of historic accounting records, we were unable to form an opinion regarding the amounts at which property and equipment, and accumulated depreciation, are recorded in the accompanying statement of net assets at June 30, 2011.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had prior-year records concerning property and equipment and related accumulated depreciation been adequate, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Trinidad, California, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information on page 30, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic context. The City of Trinidad has not presented management's discussion and analysis.

Honorable Mayor
Members of the City Council
Trinidad, California

We have applied certain limited procedures to the budgetary comparison information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Trinidad's basic financial statements as a whole. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Marcello & Company

Certified Public Accountants
Sacramento, California
December 15, 2011

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF TRINIDAD
Government-wide Financial Statements
Statement of Net Assets
June 30, 2011

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 959,058	\$ 773,069	\$ 1,732,127
Receivables	190,206	32,094	222,300
Prepaid expenses	15,845	9,363	25,208
Capital assets not being depreciated	500	5,089	5,589
Capital assets, net of depreciation	1,206,585	335,353	1,541,938
Total assets	<u>2,372,194</u>	<u>1,154,968</u>	<u>3,527,162</u>
LIABILITIES			
Accounts payable	17,897	3,762	21,659
Accrued liabilities	41,727	8,294	50,021
Noncurrent liabilities:			
Due within one year	-	25,445	25,445
Due in more than one year	-	20,971	20,971
Total liabilities	<u>59,624</u>	<u>58,472</u>	<u>118,096</u>
NET ASSETS			
Invested in capital assets, net of related debt	1,207,085	294,026	1,501,111
Restricted	144,913	-	144,913
Unrestricted	960,572	802,470	1,763,042
Total net assets	<u>\$ 2,312,570</u>	<u>\$ 1,096,496</u>	<u>\$ 3,409,066</u>

The accompanying notes to financial statements are an integral part of this financial statement

CITY OF TRINIDAD
Government-wide Financial Statements
Statement of Activities
Year Ended June 30, 2011

Functions/Programs	Program Revenue			Net (Expense) Revenue and Change in Net Assets		
	Expenditures	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-type Activities	Total
Governmental Activities						
General government	\$ 486,420	\$ 29,984	\$ 23,892	\$ (432,544)	\$	\$ (432,544)
Public safety	232,359	-	100,325	(132,034)		(132,034)
Public works	96,579	-	14,500	(82,079)		(82,079)
Capital improvement projects	120,752	-	-	274,089		274,089
Depreciation	38,179	-	-	(38,179)		(38,179)
Total governmental activities	974,289	29,984	138,717	(410,747)		(410,747)
Business-type Activities						
Water utility	254,720	241,581	-		\$ (13,139)	(13,139)
Cemetery	14,171	14,020	-		(151)	(151)
Total business-type activities	268,891	255,601	-		(13,290)	(13,290)
Total primary government	\$ 1,243,180	\$ 285,585	\$ 138,717	(410,747)	(13,290)	(424,037)
General Revenue						
Sales tax				234,002	-	234,002
Property & other taxes				112,973	-	112,973
Transient lodging tax				72,409	-	72,409
Licenses & permits				36,313	-	36,313
Use of property				35,029	-	35,029
Investment earnings				24,501	-	24,501
Other revenue				18,446	-	18,446
Transfers in (out)				1,059	(1,059)	-
Totals				534,732	(1,059)	533,673
Change in Net Assets				123,985	(14,349)	109,636
Net Assets						
Beginning				2,188,585	1,110,845	3,299,430
End of year				\$ 2,312,570	\$ 1,096,496	\$ 3,409,066

The accompanying notes to financial statements are an integral part of this financial statement

FUND FINANCIAL STATEMENTS

CITY OF TRINIDAD
Balance Sheet
Governmental Funds
June 30, 2011

	General Fund	Clean Beaches Program	State Park Bond	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 893,800	\$ -	\$ (79,655)	\$ 144,913	\$ 959,058
Receivables	85,805	-	79,655	24,746	190,206
Prepaid expenses	15,163	-	-	682	15,845
Total assets	<u>\$ 994,768</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,341</u>	<u>\$ 1,165,109</u>
LIABILITIES					
Accounts payable	\$ 10,581	\$ -	\$ -	\$ 7,316	\$ 17,897
Accrued liabilities	41,727	-	-	-	41,727
Total liabilities	<u>52,308</u>	<u>-</u>	<u>-</u>	<u>7,316</u>	<u>59,624</u>
FUND BALANCES					
Non-spendable	-	-	-	-	-
Restricted	-	-	-	163,025	163,025
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	942,460	-	-	-	942,460
Total fund balances	<u>942,460</u>	<u>-</u>	<u>-</u>	<u>163,025</u>	<u>1,105,485</u>
Total liabilities and fund balances	<u>\$ 994,768</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,341</u>	<u>\$ 1,165,109</u>

The accompanying notes to financial statements are an integral part of this financial statement

CITY OF TRINIDAD

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets

June 30, 2011

\$ 1,105,485

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the balance sheet of governmental activities

1,207,085

\$ 2,312,570

CITY OF TRINIDAD
Statement of Revenue, Expenditures, and Change in Fund Balances
Governmental Funds
Year Ended June 30, 2011

	General Fund	Clean Beaches Program	State Park Bond	Other Governmental Fund	Total Governmental Funds
REVENUE					
Intergovernmental grants	\$ -	\$ 224,113	\$ 143,120	\$ 166,325	\$ 533,558
Sales tax	234,002	-	-	-	234,002
Property, VLF and franchise	112,973	-	-	-	112,973
Transient occupancy tax	72,409	-	-	-	72,409
Licenses, planning and permits	36,313	-	-	-	36,313
Charge for services	-	-	-	29,984	29,984
Use of property	35,029	-	-	-	35,029
Investment earnings	23,730	-	-	728	24,458
Other revenue	17,176	-	-	3,022	20,198
Totals	531,632	224,113	143,120	200,059	1,098,924
EXPENDITURES					
General government	319,220	-	-	167,384	486,604
Public safety - police	124,696	-	-	97,856	222,552
Public safety - fire	9,807	-	-	-	9,807
Public works	96,104	-	-	-	96,104
Capital improvement projects	-	223,204	137,285	-	360,489
Totals	549,827	223,204	137,285	265,240	1,175,556
Excess of Revenue over Expenditures	(18,195)	909	5,835	(65,181)	(76,632)
Other Financing Sources (Uses)					
Transfers in	283,541	-	81,981	-	365,522
Transfers (out)	(233,347)	(31,236)	(79,655)	(22,195)	(366,433)
Totals	50,194	(31,236)	2,326	(22,195)	(911)
Change in Fund Balances					
Fund Balances - beginning	31,999	(30,327)	8,161	(87,376)	(77,543)
Fund Balances - end of year	910,461	30,327	(8,161)	250,401	1,183,028
	\$ 942,460	\$ -	\$ -	\$ 163,025	\$ 1,105,485

The accompanying notes to financial statements are an integral part of this financial statement

CITY OF TRINIDAD

**Reconciliation of the Statement of Revenue, Expenditures, and Change in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2011**

Change in Fund Balances - Governmental Funds (page 8)

\$ (77,543)

Amounts reported for governmental activities in the statement
of activities are different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities the cost of these assets is allocated over
their estimated useful lives and reported as depreciation expense

Depreciation expense

(38,179)

Capitalization of improvement expenditures, net

239,707

Change in Net Assets - Governmental Activities (page 5)

\$ 123,985

CITY OF TRINIDAD
Proprietary Funds
Statement of Net Assets
June 30, 2011

	Business-type Activities		
	Water Fund	Cemetery Fund	Total Enterprise Funds
ASSETS			
Current Assets:			
Cash and investments	\$ 620,680	\$ 152,389	\$ 773,069
Receivables	32,094	-	32,094
Prepaid expenses	9,006	357	9,363
Total current assets	661,780	152,746	814,526
Noncurrent Assets:			
Capital assets, net of depreciation	335,347	5,095	340,442
Total assets	997,127	157,841	1,154,968
LIABILITIES			
Current Liabilities:			
Accounts payable	3,725	37	3,762
Accrued expenses	4,879	430	5,309
Customer deposits	2,985	-	2,985
Current portion of long-term debt	25,445	-	25,445
Total current liabilities	37,034	467	37,501
Long-term liabilities:			
Due in more than one year	20,971	-	20,971
Total liabilities	58,005	467	58,472
NET ASSETS			
Invested in capital assets, net of related debt	288,931	5,095	294,026
Unrestricted	650,191	152,279	802,470
Total net assets	\$ 939,122	\$ 157,374	\$ 1,096,496

The accompanying notes to financial statements are an integral part of this financial statement

CITY OF TRINIDAD
Proprietary Funds

Statement of Revenue, Expenses, and Change in Net Assets
Year Ended June 30, 2011

	Business-type Activities		
	Water Fund	Cemetery Fund	Total Enterprise Funds
OPERATING REVENUE			
Water sales	\$ 230,450	\$ -	\$ 230,450
Burial plot sales	-	11,532	11,532
Other	11,131	2,488	13,619
Totals	<u>241,581</u>	<u>14,020</u>	<u>255,601</u>
OPERATING EXPENSES			
Personnel services	126,396	13,177	139,573
Maintenance and operations	103,886	766	104,652
Depreciation	22,323	228	22,551
Totals	<u>252,605</u>	<u>14,171</u>	<u>266,776</u>
OPERATING INCOME (LOSS)	<u>(11,024)</u>	<u>(151)</u>	<u>(11,175)</u>
NONOPERATING REVENUE (EXPENSES)			
Interest expense	(2,115)	-	(2,115)
Totals	<u>(2,115)</u>	<u>-</u>	<u>(2,115)</u>
Income Before Transfers	(13,139)	(151)	(13,290)
Transfers in	-	-	-
Transfers (out)	(928)	(131)	(1,059)
CHANGE IN NET ASSETS	(14,067)	(282)	(14,349)
Net Assets - beginning	953,189	157,656	1,110,845
Net Assets - end of year	<u>\$ 939,122</u>	<u>\$ 157,374</u>	<u>\$ 1,096,496</u>

The accompanying notes to financial statements are an integral part of this financial statement

CITY OF TRINIDAD
Proprietary Funds
Statement of Cash Flows
Year Ended June 30, 2011

CASH FLOWS PROVIDED BY (USED FOR)

Operating Activities

Cash received from customers
Cash paid for employee compensation
Cash paid for operations and maintenance
Net cash provided (used)

Capital & Financing Activities

Transfers out
Principal paid on capital debt obligations
Interest paid on capital debt obligations
Net cash provided (used)

Net Increase (Decrease) in Cash

Cash - beginning
Cash - end of year

Operating Activities Analysis

Operating Income (Loss) (page 11)

Reconciliation adjustments:

Add depreciation, a noncash expense
(Increase) decrease in receivables
(Increase) decrease in prepaid expenses
Increase (decrease) in current payables
Net cash provided (used)

Business-type Activities			Total
	Water	Cemetery	Enterprise Funds
\$	237,324	\$ 14,020	\$ 251,344
	(126,512)	(13,139)	(139,651)
	(116,363)	(1,205)	(117,568)
	(5,551)	(324)	(5,875)
	(928)	(131)	(1,059)
	(24,650)	-	(24,650)
	(2,115)	-	(2,115)
	(27,693)	(131)	(27,824)
	(33,244)	(455)	(33,699)
	653,924	152,844	806,768
\$	620,680	\$ 152,389	\$ 773,069
\$	(11,024)	\$ (151)	\$ (11,175)
	22,323	228	22,551
	(4,182)	-	(4,182)
	(9,006)	(357)	(9,363)
	(3,662)	(44)	(3,706)
\$	(5,551)	\$ (324)	\$ (5,875)

The accompanying notes to financial statements are an integral part of this financial statement

CITY OF TRINIDAD
Notes to the Financial Statements
June 30, 2011

The notes to the financial statements include a summary of significant accounting policies and other notes considered essential to fully disclose and fairly present the transactions and financial position of the City as follows:

- Note 1 - Summary of Significant Accounting Policies
- Note 2 - Stewardship, Compliance, and Accountability
- Note 3 - Cash and Investments
- Note 4 - Receivables
- Note 5 - Capital Assets
- Note 6 - Defined Contribution Retirement Plan
- Note 7 - Accounts Payable and Accrued Liabilities
- Note 8 - Interfund Transactions
- Note 9 - Proprietary Fund Long-Term Debt
- Note 10 - Risk Management
- Note 11 - Commitments and Contingencies
- Note 12 - New Pronouncements
- Note 13 - Subsequent Events

CITY OF TRINIDAD
Notes to the Financial Statements
June 30, 2011

Note 1 - Summary of Significant Accounting Policies

The City of Trinidad was incorporated on November 7, 1870 under the laws of the State of California. The City of Trinidad operates under a Council-Manager form of government that provides the following services: public safety (police, fire and animal control), recreation and culture, public improvements, planning and zoning, general and administrative services, cemetery and water utilities.

The City participates in a joint power agency through a formally organized and separate entity agreement. The financial activities of Public Agency Risk Sharing Authority of California (PARSAC), a public entity risk pool, are not included in the accompanying financial statements, because they are administered by governing boards which are separate from and independent of the City.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities, the City has chosen not to do so. The more significant accounting policies established in GAAP and used by the City are discussed below:

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain significant changes in the Statement include the following:

- A new Management Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and results of operations
- New Governmental-wide Financial Statements prepared using full accrual accounting for all of the City's activities, including infrastructure (roads, etc.)
- A change in the fund financial statements to focus on the major funds

These and other changes are reflected in the accompanying financial statements (including the notes to financial statements). The City has elected to implement the general provisions of GASB 34 to prospectively report infrastructure assets.

A. Reporting Entity

The City of Trinidad, for financial purposes, includes all of the funds relevant to the operations of the City of Trinidad. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the City of Trinidad.

B. Basic Financial Statements – Government-wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's police and fire protection, public works, special revenue projects, and general administrative services are classified as governmental activities. The City's water and cemetery services are classified as business-type activities.

CITY OF TRINIDAD
Notes to the Financial Statements
June 30, 2011

Note 1 - Summary of Significant Accounting Policies

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are presented on a consolidated basis by column; and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities. The functions are also supported by general government revenue (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc). The Statement of Activities reduces gross expenses (including depreciation) by related program revenue, operating and capital grants. Program revenue must be directly associated with the function (police, public works, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that encompass its assets, liabilities, reserves, fund equity, revenue and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

Fund Types and Major Funds:

Governmental Funds

- *General Fund* – this fund is the primary operating fund of the City. The fund is used to account for all financial resources not reported in other funds.
- *Special Revenue Funds* – these funds are used to account for the proceeds of specific revenue resources (other than major capital projects) that are legally restricted to expenditures for specific purposes.
- *Capital Projects Fund* – these funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Proprietary Funds

The City reports the following major proprietary funds:

- *Water Utilities Fund* – accounts for the operating activities of the City's water utilities services.
- *Cemetery Fund* – accounts for the operating activities of the City's cemetery.

Major Funds

GASB Statement No. 34 defines major funds and requires that the City's major governmental funds are identified and presented separately in the fund financial statements. All other governmental funds, called nonmajor or other funds, are combined and reported in a single column, regardless of their fund-type. Major funds are defined as funds that have assets, liabilities, revenue, or expenditures/expenses equal to ten percent of their fund-type total, and can change annually. The general fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

CITY OF TRINIDAD
Notes to the Financial Statements
June 30, 2011

Note 1 - Summary of Significant Accounting Policies

Major Funds are those funds that meet certain dollar criteria and always include the general fund. The City reports the following major governmental funds:

- *General Fund* - this fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounting for in another fund.
- *Clean Beaches Program* - this fund is used to account for proceeds received from a State grant. Revenue is restricted for pre-approved beach water monitoring, and on-site wastewater system upgrades and replacement expenditures.
- *California State Park Bond Grant* - this fund is used to account for proceeds received from a State grant for park related expenditures.

D. Basis of Accounting

Basis of accounting refers to the point at which revenue or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual: Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred.

Modified Accrual: The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. Financial Statement Amounts

Cash and Cash Equivalents: The City has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with a fiscal agent. Additionally, each fund's equity in the City's investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

For purposes of the statement of cash flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The proprietary fund's "financial institution deposits" in the citywide cash management pool are, in substance, demand deposits and are therefore considered cash equivalents for purposes of the statement of cash flows.

Investments: Investments are stated at fair value, (quoted market price or the best available estimate).

Capital Assets: Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value on the date received.

CITY OF TRINIDAD
Notes to the Financial Statements
June 30, 2011

Note 1 - Summary of Significant Accounting Policies

Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20 – 50 years
Water system	30 – 50 years
Machinery and equipment	5 – 10 years
Improvements	10 – 20 years
Other infrastructure	10 – 50 years

GASB Statement No. 34 requires the City to report and depreciate new infrastructure assets effective beginning July 1, 2004. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the City. Neither their historical costs nor related depreciation has historically been reported in the financial statements. The City has elected to implement the general provisions of GASB Statement No. 34 in the 2004-05 fiscal year, and reports prospective infrastructure costs as incurred.

Revenue:

Substantially all governmental fund revenue is accrued. Property taxes are billed and collected within the same period in which the taxes are levied. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non-operating revenue based on GASB Stmt. No. 33.

In applying GASB Statement No. 33 to grant revenue, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

Operating income in proprietary fund financial statements includes revenue and expense related to the primary continuing operations of the fund. Principal operating revenue for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenue and expenses are classified as non-operating in the financial statements.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as needed.

Expenditures

Expenditures are recognized when the related fund liability is incurred.

Compensated Absences:

The City accrues accumulated earned employee vacation compensation and associated employee-related costs.

Interfund Activity

Interfund activity is reported as loans, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

CITY OF TRINIDAD
Notes to the Financial Statements
June 30, 2011

Note 1 - Summary of Significant Accounting Policies

F. Estimates

Financial statement presentation in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could vary from those estimates.

G. Fund Balance Reserves and Designations

Reservations of the ending fund balance indicate the portion of fund balance not appropriable for expenditures or amounts legally segregated for a specific future use. These amounts are not available for appropriation and expenditure at the balance sheet date.

H. Property Taxes

Property taxes in the State of California are administered for all local agencies at the county level and consist of secured, unsecured and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Property Valuations – are established by the Assessor of the County of Humboldt for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13, adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From the base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations and is subject to annual reappraisal.

Tax Levies – are limited to 1% of the full assessed value, which results in a tax rate of \$1.00 per \$100 assessed valuation under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

Tax Levy Dates – are attached annually on January 1, preceding the fiscal year for which the taxes are levied. The fiscal year begins on July 1 and ends on June 30 of the following year. Taxes are levied on both real and unsecured personal property, as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

Tax Collections – are the responsibility of the county's tax collector. Taxes and assessments on secured utility rolls, which constitute a lien against the property, may be paid in two installments: The first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the county for late payments.

The City has elected to receive the City's portion of the property taxes under the Teeter Plan. Under this program, the City receives 100% of the City's share of the levied property taxes in periodic payments with the county assuming responsibility for the delinquencies.

Tax Levy Apportionments – Due to the nature of the City-wide maximum levy, it is not possible to identify general-purpose tax rates for specific entities. Under state legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the county's auditor-controller based primarily on the ratio that each agency represented the total City-wide levy for the three fiscal years prior to fiscal year 1979.

CITY OF TRINIDAD
Notes to the Financial Statements
June 30, 2011

Note 1 - Summary of Significant Accounting Policies (concluded)

Property Tax Administration Fees – The State of California FY 1990-91 Budget Act authorized counties to collect an administration fee for collection and distribution of property taxes.

I. Net Assets and Fund Balances

The City's net assets are classified as follows on the government-wide statement of net assets:

- Invested in capital assets, net of related debt - represents the City's total investment in capital assets reduced by any outstanding debt used to acquire these assets.
- Restricted net assets - includes resources that the City is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.
- Unrestricted net assets - represents resources derived from sources without spending restrictions, are used for transactions relating the general operations of the City, and may be used at the discretion of those charged with governance to meet current expenses or obligations for any purpose.

Fund balance designations are classified on the governmental funds balance sheet as follows:

- Nonspendable - amounts that cannot be spent because they are either (a) legally or contractually required to be maintained intact or (b), not in spendable form such as long term notes receivable.
- Restricted - amounts that can be spent only for the *specific purposes* stipulated by constitution, external resource providers, or through enabling legislation.
- Committed - amounts that can be used only for the *specific purposes* determined by a formal action of the City Council, to establish, modify or rescind a fund balance commitment.
- Assigned - amounts that are constrained by the government's *intent* to be used for specific purposes but do not meet the criteria to be classified as restricted or committed, as determined by a formal action or policy of the City Council or its appointed official.
- Unassigned - the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

The City follows these procedures annually in establishing the budgetary data reflected in the financial statements:

The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. The City Council reviews the proposed operating budget at specially scheduled sessions, which are open to the public. The Council also conducts a public hearing on the proposed operating budget to obtain comments from interested persons.

The budget is legally enacted through a passage of a resolution. From the effective date of the operating budget, which is adopted and controlled at the department level, the amounts stated therein as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget by resolution during the fiscal year. All appropriations lapse at year-end.

CITY OF TRINIDAD
Notes to the Financial Statements
June 30, 2011

Note 2 - Stewardship, Compliance, and Accountability (continued)

Revenue Limitations Imposed By California Proposition 218

Proposition 218, which was approved by the voters in November 1996, regulates the City's ability to impose, increase, and extend taxes, assessments, and fees. Any new, increased, or extended taxes, assessments, and fees subject to the provisions of Proposition 218, require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments, and fees are subject to the voter initiative process and may be rescinded in the future years by the voters.

Deficit Fund Balances

Due to the City incurring costs in advance of receiving grant awards and reimbursements, revenue which it expects to recover in the future from grants and other sources, the following funds incurred deficits in their ending fund balances:

Trinidad tots (fund 203)	\$ 290
Prop 1B Program Grant (fund 508)	10,450
ASBS Stormwater Grant (fund 513)	3,206
ASBS Pier Reconstruction (fund 514)	1,413
	<u>\$ 15,359</u>

Cash Deficit Balances by Fund

The following governmental activities funds reported year end cash deficit balances:

Trinidad tots (fund 203)	\$ 192
State Gas Taxes (fund 503)	4,685
Prop 1B Program Grant (fund 511)	10,450
ASBS Stormwater Grant (fund 513)	1,846
ASBS Pier Reconstruction (fund 514)	1,413
	<u>\$ 18,586</u>

Note 3 - Cash and Investments

The City follows the practice of pooling cash and investments of all funds except for restricted funds required to be held by outside custodians, fiscal agents or trustees under the provisions of bond indentures. Cash and investments at fiscal year end are classified in the accompanying financial statements as follows:

Statement of Net Assets	
Cash and investments	<u>\$ 1,732,127</u>
Cash and Investments consist of the following:	
Demand deposits with financial institutions	\$ 477,251
Money market mutual funds	194,352
U.S. Government Securities	398,347
Negotiable certificates of deposit	85,592
Local Agency Investment Fund	576,585
	<u>\$ 1,732,127</u>

CITY OF TRINIDAD
Notes to the Financial Statements
June 30, 2011

Note 3 - Cash and Investments (continued)

Collateral and Categorization Requirements

At fiscal year end, the City's carrying amount of demand deposits was \$591,215 and the bank account balances were \$193,385. The difference of \$397,830 represented outstanding checks and deposits in transit. Of the total bank deposit balance, \$193,385 was insured by Federal Depository Insurance Corporation (FDIC) and \$-0- was collateralized in accordance with California Government Code Section 53600 - 53609.

Investment Policy

The table below identifies the investment types that are authorized under provisions of the City's investment policy adopted July 13, 2005, and in accordance with Section 53601 of the California Government Code. The table also identifies certain provisions of the investment policy that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Rating
U.S. Treasury Securities	None	None	None	None
U.S. Government Securities	None	None	None	None
Bankers Acceptances	180 days	40%	None	A1/P1
Federally Insured Time Deposits	180 days	None	None	None
Time Deposits (in California Banks)	180 days	20%	None	A1/P1
Negotiable Certificates of Deposit	180 days	30%	None	A1/P1
Repurchase Agreements	30 days	10%	None	None
Commercial Paper	180 days	15%	None	A1/P1
Corporate Medium-term Notes	5 years	30%	None	A/A
Mortgage Pass-through Securities	5 years	20%	None	AAA/Aaa
Money Market Mutual Funds	N/A	None	None	AAA/Aaa
Local Agency Investment Fund	N/A	None	None	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City of Trinidad manages its exposure to interest rate risk is by purchasing a combination of shorter term and medium term investments, and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy limits credit risk by requiring compliance with the California Government Code for investment of public funds, as described in detail above.

CITY OF TRINIDAD
Notes to the Financial Statements
June 30, 2011

Note 3 - Cash and Investments (continued)

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any single issuer beyond that stipulated by the California government code. Investments in any one issuer that represent 5% or more of total investments at fiscal year end are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>Yield</u>	<u>Concentration</u>
Local Agency Investment Fund	\$ 576,585	7.9 months	0.48%	33%
Money Market Mutual Funds	194,352	on demand	0.03%	11%
Demand Deposits (checking)	477,251	on demand	0.35%	28%
U.S. Government Securities	398,347	19 months	4.67%	23%
Negotiable Certificates of Deposit	85,592	12 months	2.30%	5%

Custodial Credit Risk

The credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The California government code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits:

The California government code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2011, the City had \$-0- in financial institutions that was not covered by the FDIC, but was covered by collateralized securities of the financial institutions where the deposits were maintained.

The credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California government code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Participation in an External Investment Pool

The City is a voluntary participant in the California Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section under the oversight of the Local Investment Advisory Board (Board). The Board consists of five members as designated by state statute, and is chaired by the State Treasurer who is responsible for the day to day administration of LAIF. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis, which is different from the fair value of the City's position in the LAIF pool. The State Treasurer determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available, and on amortized cost or best estimate for those securities where market value is not readily available.

CITY OF TRINIDAD
Notes to the Financial Statements
June 30, 2011

Note 3 - Cash and Investments (concluded)

At fiscal year end, the City's investment in LAIF was \$573,667. The total amount invested by all public agencies at that date was \$23.9 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which had a balance of \$66.4 billion. Financial Statements of LAIF and PMIA may be obtained from the California Treasurer's web site at www.treasurer.ca.gov.

Note 4 - Receivables

Accounts and other receivables as reported in the statement of net assets are comprised of the following:

Governmental Activities:

Intergovernmental	\$ 19,762
Sales tax	63,095
Transient lodging tax	20,085
	<u>\$ 102,942</u>

Business-type Activities:

Water utility customers	<u>\$ 32,234</u>
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Management has elected to record bad debts using the direct write-off method. Accounting principles generally accepted in the United States of America require that the allowance method be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed.

Note 5 - Capital Assets

A. Governmental-Type capital asset activity for the year was follows:

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
<u>Non-depreciable Assets</u>				
Land	\$ 500	\$ -	\$ -	\$ 500
<u>Depreciable Assets</u>				
Building & Improvements	1,017,613	239,707	-	1,257,320
Equipment	103,924	-	-	103,924
Vehicles	129,739	-	-	129,739
	1,251,776	239,707	-	1,490,983
<u>Accumulated Depreciation</u>	(246,219)	(38,179)	-	(284,398)
Depreciable assets, net	1,005,557	201,528	-	1,206,585
Total capital assets, net	<u>\$ 1,006,057</u>	<u>\$ 201,528</u>	<u>\$ -</u>	<u>\$ 1,207,085</u>

CITY OF TRINIDAD
Notes to the Financial Statements
June 30, 2011

Note 5 - Capital Assets (continued)

B. Business-type capital asset activity for the year was follows:

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
<u>Nondepreciable Assets</u>				
Land	\$ 5,089	\$ -	\$ -	\$ 5,089
<u>Depreciable Assets</u>				
Water utility fund	1,151,749	-	-	1,151,749
Cemetery	7,964	-	-	7,964
	1,159,713	-	-	1,159,713
<u>Accumulated Depreciation</u>				
Water utility fund	(799,168)	(22,323)	-	(821,491)
Cemetery	(2,641)	(228)	-	(2,869)
Depreciable assets, net	357,904	(22,551)	-	335,353
Total capital assets, net	\$ 362,993	\$ (22,551)	\$ -	\$ 340,442

Note 6 - Defined Contribution Retirement Plan

The City of Trinidad contributes to a defined contribution plan administered through Smith Barney/Hartford ITT under plan provisions established, and may be amended, by the city council. The city contributes 6% of an employee's annual salary to the plan which provides retirement benefits. The city also provides matching contributions up to 6% of an employee's contributions for all eligible employees. Plan participants age 50 and older can make catch-up annual contributions up to \$5,000; and in the three years prior to retirement, can make catch-up contributions of up to twice the annual limit. All employee and employer contributions are tax deferred to the employee. The City contributed \$34,343 to the plan for the year ended June 30, 2011.

Note 7 - Accounts Payable and Accrued Liabilities

Payables, as reported in the statement of net assets are comprised of the following:

	Governmental Activities	Business-type Activities
<u>Accounts Payable</u>		
Supplies and vendors	\$ 17,897	\$ 3,762
<u>Accrued Liabilities</u>		
Confiscated evidence money	\$ 34,858	\$ -
Accrued compensation	6,869	5,309
Customer water deposits	-	2,985
	\$ 41,727	\$ 8,294

CITY OF TRINIDAD
Notes to the Financial Statements
June 30, 2011

Note 8 - Interfund Transactions

In general, the City uses interfund transfers for several purposes, as follows:

- to move revenue from the funds that collect them, such as grants funds, public safety funds, to the funds that statute or budget requires to expend them.
- to use revenue collected in the various funds to help finance various programs and capital improvement type projects accounted for in other funds in accordance with budgetary authorization.

Operating transfers for the fiscal year are summarized as follows:

Fund type	Operating transfers	
	In	Out
General fund	\$ 203,886	\$ 231,390
Police fund	128	-
Public works fund	-	115
Clean beaches fund	-	31,236
State park bond fund	81,981	-
Village keepers fund	-	891
Integrated waste mgmt fund	2,095	-
CIWMB fund	-	2,279
COPS grant fund	-	2,474
Indian gaming police fund	-	7,700
State gas tax fund	11,661	-
Gateway project fund	-	53,171
HR3 fund	-	119,690
Prop 1B grant fund	26,331	-
TCP ARRA grant fund	78,046	-
Azalea/Pacific streets fund	150,287	-
ASBS planning program fund	-	88,242
ASBS stormwater fund	4,070	-
ASBS pier reconstruction fund	-	1,120
Emergency drainage project fund	-	1,413
Traffic congestion relief fund	-	9,949
RSTP/SAFETEA LU fund	-	6,324
OWTS fund	-	3,316
Watershed council fund	2,279	395
Water utility fund	-	928
Cemetery fund	-	131
	<u>\$ 560,764</u>	<u>560,764</u>

CITY OF TRINIDAD
Notes to the Financial Statements
June 30, 2011

Note 9 - Proprietary Fund Long-Term Debt

The following is a summary of notes payable for the proprietary funds:

Safe Drinking Water Bond - due to the State of California in annual payments of \$5,512 including interest at 4.1% per annum, secured by water fund revenue.

Davis Grunsky Loan - due to the State of California in semi-annual payments including interest at 2.5% per annum, secured by water fund revenue.

Long term debt activity for the year was comprised of the following:

Business-type Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Safe Drinking water bond	\$ 40,318	\$ -	\$ (9,452)	\$ 30,866	\$ 9,895
Davis Grunsky loan	28,668	-	(14,158)	14,510	14,510
Deferred interest	2,080	-	(1,040)	1,040	1,040
Totals	<u>\$ 71,066</u>	<u>\$ -</u>	<u>\$ (24,650)</u>	<u>\$ 46,416</u>	<u>\$ 25,445</u>

The following schedule summarizes the debt service requirements to maturity for the notes outstanding as of June 30, 2011, in the aggregate:

Year Ended June 30,	Principal	Interest	Total
2012	\$ 25,445	\$ 1,359	\$ 26,804
2013	10,259	-	10,259
2014	10,712	334	11,046
Totals	<u>\$ 46,416</u>	<u>\$ 1,693</u>	<u>\$ 48,109</u>

Note 10 - Risk Management

The City is exposed to various risks of loss related to torts, thefts, damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City is a member of the Public Agency Risk Sharing Authority of California (PARSAC or the Authority), a public entity risk pool currently operating as a common risk management and insurance program for member cities and townships. The relationship between the City and PARSAC is such that PARSAC is not a component unit of the City for financial reporting purposes. PARSAC is governed by a Board consisting of representatives from member municipalities. The Board controls the operations of the Authority, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board.

The City's deposits with the Authority are in accordance with formulas established by the Authority. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

CITY OF TRINIDAD
Notes to the Financial Statements
June 30, 2011

Note 10 - Risk Management (continued)

Insurance coverages include: workers compensation, general property damage, general liability, and fidelity.

Financial statements may be obtained from PARSAC, 1525 Response Road, Suite One, Sacramento, CA, 95815. Audit condensed financial information for the Authority for the year ended June 30, 2010 audited by other auditors, is presented below:

Statement of Net Assets

Total Assets	\$ 36,523,901
Total Liabilities	<u>14,824,540</u>
Net Assets	<u><u>\$ 21,699,361</u></u>

Statement of Revenue, Expenses and Change in Net Assets

Operating Revenue	\$ 11,868,866
Operating Expenses	<u>8,054,472</u>
Operating Income (Loss)	3,814,394
Non-Operating Income	<u>718,626</u>
Change in Net Assets	<u><u>\$ 4,533,020</u></u>

Health, Dental and Vision Insurance - The City has approved a group health insurance plan, which provides benefits for all qualified employees, along with dental coverage.

Life Insurance - The City provides life insurance to all qualified employees.

Note 11 - Commitments and Contingencies

In the normal course of City operations there are occasional and various legal claims and actions against the City for which no provision has been made in the financial statements because the amount of liability, if any, is unknown.

The City has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

Note 12 - New Pronouncements

Governmental Accounting Standards Board Statement No. 54

This statement entitled "Fund Balance Reporting and Governmental Fund Type Definitions, issued in March 2009, initially distinguishes fund balance between amounts that are considered nonspendable, such as fund balance associated with long-term notes receivable or inventory, and other amounts that are classified as spendable based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts will be reported in the following classifications:

- Restricted - Amounts that can be spent only for the *specific purposes* stipulated by constitution, external resource providers, or through enabling legislation.

CITY OF TRINIDAD
Notes to the Financial Statements
June 30, 2011

Note 12 - New Pronouncements (continued)

- Committed - Amounts that can be used only for the *specific purposes* determined by a formal action of the government's highest level of decision-making authority.
- Assigned - Amounts intended to be used by the government for *specific purposes* but do not meet the criteria to be classified as restricted or committed.
- Unassigned - The residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

The new standard also clarifies the definitions of individual governmental fund types. It also specifies how economic stabilization or "rainy day" amounts should be reported. Because of the specific nature of these accounts, the statement considers stabilization amount as *specific purposes*.

Stabilization amounts should be reported in the general fund as restricted or committed if they meet the appropriate criteria. Only if the resources in the stabilization arrangement derive from a restricted or committed revenue source could a stabilization fund be reported as a special revenue fund.

The definitions of the general fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type are clarified by this statement. The capital projects fund type was clarified for better alignment with the needs of financial statement users and prepares. Definitions are as follows:

- General fund - Account for and report all financial resources and uses not accounted for and reported in another fund.
- Special revenue funds - Account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.
- Capital projects funds - Account for and report financial resources that are restricted, committed, or assigned to the expenditure for capital outlays, including the acquisition of construction of capital facilities and other capital assets.
- Debt service funds - Account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.
- Permanent funds - Account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

The requirements of this statement are effective for fiscal periods beginning in fiscal year 2010-11.

Governmental Accounting Standards Board Statement No. 62

The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

- Financial Accounting Standards Board (FASB) Statements and Interpretations.
- Accounting Principles Board Opinions.
- Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure.

CITY OF TRINIDAD
Notes to the Financial Statements
June 30, 2011

Note 12 - New Pronouncements (concluded)

Hereinafter, these pronouncements collectively are referred to as the "FASB and AICPA pronouncements."

This Statement also supersedes Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, thereby eliminating the election provided in paragraph 7 of that Statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this Statement.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. The provisions of this Statement generally are required to be applied retroactively for all periods presented.

The requirements in this Statement will improve financial reporting by contributing to the GASB's efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source. This effort brings the authoritative accounting and financial reporting literature together in one place, with that guidance modified as necessary to appropriately recognize the governmental environment and the needs of governmental financial statement users. It will eliminate the need for financial statement preparers and auditors to determine which FASB and AICPA pronouncement provisions apply to state and local governments, thereby resulting in a more consistent application of applicable guidance in financial statements of state and local governments.

Note 13 - Subsequent Events

The management of the City has reviewed the results of operations for the period from its fiscal year end June 30, 2011 through January 12, 2012, the date the financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION
(unaudited)

CITY OF TRINIDAD
Budgetary Comparison Information
General Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
<i>Resources (Inflows)</i>				
Property taxes	\$ 110,000	\$ 110,000	\$ 71,898	\$ (38,102)
Vehicle license & other governmental	-	-	32,615	32,615
Sales taxes	220,000	220,000	234,002	14,002
Transient Lodging tax	72,000	72,000	72,409	409
Other revenue	1,100	1,100	17,176	16,076
Investment earnings (all funds)	35,000	35,000	23,730	(11,270)
Licenses, planning and permits	28,100	28,100	36,313	8,213
Franchise fees	6,000	6,000	8,460	2,460
Use of property	33,500	33,500	35,029	1,529
Transfers in	52,000	52,000	283,541	231,541
Amounts Available for Appropriation	557,700	557,700	815,173	257,473
<i>Charges to Appropriation (Outflow)</i>				
General Gov. - City Administration	270,206	270,206	319,220	(49,014)
Public Safety - Police	121,632	121,632	124,696	(3,064)
Public Safety - Fire	23,450	23,450	9,807	13,643
Public Works and Parks	104,977	104,977	96,104	8,873
Transfers out	-	-	233,347	(233,347)
Total Charges to Appropriations	520,265	520,265	783,174	(262,909)
<i>Surplus (Deficit)</i>	<u>\$ 37,435</u>	<u>\$ 37,435</u>	<u>\$ 31,999</u>	<u>\$ (5,436)</u>

Budget for Capital Acquisitions/Reserves

General Gov. - City Administration	\$ -	\$ -	\$ -	\$ -
Public Safety - Police	3,000	3,000	2,791	209
Public Safety - Fire Equipment	10,000	10,000	-	10,000
Public Safety - Fire Reserve	20,000	20,000	-	20,000
Public Works	-	-	-	-

OTHER SUPPLEMENTARY INFORMATION

CITY OF TRINIDAD
Other Governmental Nonmajor Funds
Combining Financial Statements
Year Ended June 30, 2011

Page 1 of 3

	Village Keepers	Trinidad Totals	Integrated Waste Mgmt	Watershed Council	CIVMB	Gov. Buildings	Harbor	COPS Grant	Indian Gaming Police	Indian Gaming Fire
Assets										
Cash	\$ -	\$ (192)	\$ 38,077	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	11,017	-	-	-	-	1,436	-	-
Other assets	-	-	509	-	-	-	-	173	-	-
Total Assets	\$ -	\$ (192)	\$ 49,603	\$ -	\$ -	\$ -	\$ -	\$ 1,609	\$ -	\$ -
Liabilities										
Fund Balances	\$ -	\$ 98	\$ 5,010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities & Fund Balances	\$ -	\$ (192)	\$ 49,603	\$ -	\$ -	\$ -	\$ -	\$ 1,609	\$ -	\$ -
Revenue										
Intergovernmental	\$ -	\$ -	\$ 720	\$ -	\$ -	\$ -	\$ -	\$ 100,325	\$ -	\$ -
Charges for services	-	-	29,984	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	297	-	-
Licenses, planning and permits	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	1,175	-	-	-	-	-	879
Total Revenue	-	-	30,704	1,175	-	-	-	100,622	-	879
Expenditures										
General government	-	297	45,610	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	97,856	-	-
Capital improvement projects	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	297	45,610	-	-	-	-	97,856	-	-
Transfers in (out)	(891)	-	2,095	(2,279)	(2,474)	-	-	(7,700)	11,661	-
Change in Fund Balance	(891)	(297)	(12,811)	(1,104)	(2,474)	-	-	(4,934)	11,661	879
Fund Balance - beginning	891	7	57,404	1,104	2,474	-	-	6,543	(11,661)	(879)
Fund Balance - end of year	\$ -	\$ (290)	\$ 44,593	\$ -	\$ -	\$ -	\$ -	\$ 1,609	\$ -	\$ -

CITY OF TRINIDAD
Other Governmental Nonmajor Funds
Combining Financial Statements
Year Ended June 30, 2011

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	State Gas tax	TDA	Gateway Project	HR3	TE 2006	Prop 1B Grant (2008)	TCP ARRA Grant	Azalea / Pacific Project	ASBS Planning Program
Assets									
Cash	\$ (4,685)	\$ 19,868	\$ -	\$ 33,775	\$ -	\$ (10,450)	\$ -	\$ 55,000	\$ -
Accounts receivable	4,685	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 19,868</u>	<u>\$ -</u>	<u>\$ 33,775</u>	<u>\$ -</u>	<u>\$ (10,450)</u>	<u>\$ -</u>	<u>\$ 55,000</u>	<u>\$ -</u>
Liabilities									
Fund Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities & Fund Balances	<u>\$ -</u>	<u>\$ 19,868</u>	<u>\$ -</u>	<u>\$ 33,775</u>	<u>\$ -</u>	<u>\$ (10,450)</u>	<u>\$ -</u>	<u>\$ 55,000</u>	<u>\$ -</u>
Revenue									
Intergovernmental	\$ 14,437	\$ 7,175	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-	-
Investment earnings	-	431	-	-	-	-	-	-	-
Licenses, planning and permits	-	-	-	-	-	-	-	-	-
Other revenue	968	-	-	-	-	-	-	-	-
Total Revenue	<u>15,405</u>	<u>7,606</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>-</u>
Expenditures									
General government	-	5,090	-	26,405	-	10,450	76,598	-	-
Public safety	-	-	-	-	-	-	-	-	-
Capital improvement projects	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>5,090</u>	<u>-</u>	<u>26,405</u>	<u>-</u>	<u>10,450</u>	<u>76,598</u>	<u>-</u>	<u>-</u>
Transfers in (out)	(53,171)	-	(119,690)	26,331	-	78,046	150,287	(88,242)	4,070
Change in Fund Balance	<u>(37,766)</u>	<u>2,516</u>	<u>(119,690)</u>	<u>(74)</u>	<u>-</u>	<u>67,596</u>	<u>93,689</u>	<u>(88,242)</u>	<u>4,070</u>
Fund Balance - beginning	37,766	17,352	119,690	33,849	-	(78,046)	(93,689)	143,242	(4,070)
Fund Balance - end of year	<u>\$ -</u>	<u>\$ 19,868</u>	<u>\$ -</u>	<u>\$ 33,775</u>	<u>\$ -</u>	<u>\$ (10,450)</u>	<u>\$ -</u>	<u>\$ 55,000</u>	<u>\$ -</u>

CITY OF TRINIDAD
Other Governmental Nonmajor Funds
Combining Financial Statements
Year Ended June 30, 2011

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	ASBS Stormwater (2009)	ASBS Pier Reconstruct (2009)	Emergency Drainage Project	Traffic Congestion Relief	RSTP / SAFETEA LU	OWTS	Indian Gaming Pub Wks	Watershed Coordinator	Totals
Assets									
Cash	\$ (1,846)	\$ (1,413)	\$ -	\$ -	\$ -	\$ -	\$ 14,500	\$ 2,279	\$ 144,913
Accounts receivable	2,570	5,038	-	-	-	-	-	-	24,746
Other assets	-	-	-	-	-	-	-	-	682
Total Assets	<u>\$ 724</u>	<u>\$ 3,625</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,500</u>	<u>\$ 2,279</u>	<u>\$ 170,341</u>
Liabilities									
Fund Balances	\$ 1,360	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 848	\$ 7,316
	(636)	3,625	-	-	-	-	14,500	1,431	163,025
Total Liabilities & Fund Balances	<u>\$ 724</u>	<u>\$ 3,625</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,500</u>	<u>\$ 2,279</u>	<u>\$ 170,341</u>
Revenue									
Intergovernmental	\$ 2,570	\$ 5,038	\$ -	\$ -	\$ 1,560	\$ -	\$ 14,500	\$ -	\$ 166,325
Charges for services	-	-	-	-	-	-	-	-	29,984
Investment earnings	-	-	-	-	-	-	-	-	728
Licenses, planning and permits	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	3,022
Total Revenue	<u>2,570</u>	<u>5,038</u>	<u>-</u>	<u>-</u>	<u>1,560</u>	<u>-</u>	<u>14,500</u>	<u>-</u>	<u>200,059</u>
Expenditures									
General government	2,086	-	-	-	-	-	-	848	167,384
Public safety	-	-	-	-	-	-	-	-	97,856
Capital improvement projects	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,086</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>848</u>	<u>265,240</u>
Transfers in (out)	(1,120)	(1,413)	(9,949)	(6,324)	(3,316)	(395)	-	2,279	(22,195)
Change in Fund Balance	<u>(636)</u>	<u>3,625</u>	<u>(9,949)</u>	<u>(6,324)</u>	<u>(1,756)</u>	<u>(395)</u>	<u>14,500</u>	<u>1,431</u>	<u>(87,376)</u>
Fund Balance - beginning	-	-	9,949	6,324	1,756	395	-	-	250,401
Fund Balance - end of year	<u>\$ (636)</u>	<u>\$ 3,625</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,500</u>	<u>\$ 1,431</u>	<u>\$ 163,025</u>



DISCUSSION AGENDA ITEM 2

SUPPORTING DOCUMENTATION FOLLOWS WITH: 11 PAGES

2. Update/Discussion regarding Treasurer's Report & mid-year Financial Report. *(continued from Feb.)*

DISCUSSION/ACTION AGENDA

Date: February 8, 2012

Item: Mid Year Financial Status Report

Background: Two separate reports are provided for council consideration and review:

Treasury Cash and Investments Report as of November 30, 2011

This is in keeping with the external auditor's recommendation to periodically update the council as to the city's cash position and is a standard operational procedure in many agencies.

In addition to review of the city's cash position, this report reconciles the cash as reflected on the city's accounting records with the cash on deposit with its bank(s) and other financial institutions to validate internal control.

Mid Year Budget Report

Financial status reports are included in Council packets for public review and inspection each month, and the budget is continuously monitored. The purpose of this report is to provide for the opportunity for a brief presentation on the status of budget as compared to actual revenues and expenditures midway through the fiscal year, as of December 31, 2011.

The General Fund consists of four budget units: administration, law enforcement, fire services and public works. Overall the General fund is on target and actually expected to end the year in a better position than budgeted due to one time funding from (1) sale of surplus police equipment and (2) transfer of separately held asset seizure forfeiture funds to offset General Fund law-enforcement related expenses and (3) receipt of one time PG&E franchise fees due to boundary reassessment. A number of budget adjustments are recommended to recognize this revenue and provide funding for expenditures not anticipated during preparation of the budget. Excess revenues over expenditures will increase the fund balance forward for future budget year considerations.

- Expenditures for building inspection exceeded budget estimates due to contracting plan checking services for the pier project, but this is entirely offset by permit revenues (\$20,000).
- Moss Subdivision appeal not anticipated (\$2,322)

- Police vehicle maintenance expenditures were necessary to ready units for surplus (\$883, but more than offset by surplus sale revenue)
- Planning charges may exceed budget estimates due to unanticipated involvement in head vegetation issues and the Moss Subdivision appeal.
- Engineering expenses were budgeted in administration (201) but more appropriately applied to Public Works (501)
- Fire utilities budget line item did not take into account purchase of and filling the propane tank to support the fire station emergency generator (\$1,838)
- Fire budget for vehicle repairs did not anticipate \$3,400 in repairs to fire-fighting equipment.
- Public Works budget did not anticipate over \$2,300 in necessary transmission overall and front end work on one of its units.
- Budget for general materials and supplies is inadequate to provide for materials necessary (striping, signing, tools, traffic control devices) to support operations.

The Integrated Waste Management, Water and Cemetery Funds are on target and no budget adjustments are recommended at this time.

Proposed Action:

- (1) Receive the Treasury Cash and Investments Report as of November 31, 2011
- (2) Receive the mid year budget update and approve the following supplemental budgets:

General Fund Revenue:

201-54050 Building Inspection	\$ 20,000
201-56150 Franchise Fees	12,944
301-53090 Miscellaneous (asset seizure funds)	21,875
Total Revenue Increase	\$ 54,819

General Fund Expenditure:

201-71420 Building Inspection/contract svcs	\$ 20,000
201-75200 Municipal Expense	2,322
201-71340 City Planner	5,000
201-71210 Engineering (Adm)	- 5,000
501-71210 Engineering (PW)	5,000
301-78150 Police Vehicle Repairs	883
301-92100 Gains on Sale of Assets	- 8,815
401-75180 Fire Utilities	1,838
401-78150 Fire Vehicle Repair	3,400
501-78150 PW Vehicle Repair	2,300
501-78190 PW Materials & Supplies	3,000
Total Expenditure Increase	\$ 29,928

City Of Trinidad
Treasury Cash and Investments Report
November 30, 2011

	<u>Maturity Date</u>	<u>% Yield to</u> <u>Maturity</u>	
Morgan Stanley Smith Barney			
Money Market checking	1 day	0.010	\$ 43,136
Certificate of Deposit	6/25/2012	2.300	80,739
Government entity bonds	09/15/2012-10/15/2014	4.375-4.625	314,589
			<u>438,464</u>
North Valley Bank checking	1 day	0.239	265,782
Local Agency Investment Fund	1 day	0.380	<u>1,060,211</u>
Total cash and investments			<u><u>\$ 1,764,457</u></u>

Fund Distribution

Governmental Funds	
General Fund	\$ 868,181
Other Funds	139,447
	<u>1,007,628</u>
Proprietary Funds	
Water Fund	609,849
Cemetary Fund	146,980
	<u>756,829</u>
Total cash and investments	<u><u>\$ 1,764,457</u></u>

City of Trinidad
Statement of Revenues and Expenditures
From 12/1/2011 Through 12/31/2011

		<u>Current Month</u>	<u>Year to Date</u>	<u>Total Budget - Original</u>	<u>% of Budget</u>
Revenue					
41010	PROPERTY TAX - SECURED	0.00	0.00	115,000.00	100.00)%
42000	SALES & USE TAX	41,906.21	66,446.13	180,000.00	(63.09)%
43000	TRANSIENT LODGING TAX	8,914.30	48,875.36	80,000.00	(38.91)%
47310	VEHICLE LICENSE COLLECTION	0.00	182.06	0.00	0.00)%
47350	MOTOR VEHICLE LICENSE FEE GAP	0.00	704.32	0.00	0.00)%
49080	MOTOR VEHICLE FINES	0.00	0.00	3,500.00	100.00)%
53010	COPY MACHINE FEE	0.00	25.50	100.00	(74.50)%
53020	INTEREST INCOME	185.73	11,657.06	15,000.00	(22.29)%
53060	DONATIONS	0.00	50.00	0.00	0.00)%
53090	OTHER MISCELLANEOUS INCOME	822.25	29,717.41	2,500.00	,088.70)%
54020	PLANNER- APPLICATION PROCESSIN	0.00	5,770.27	8,500.00	(32.11)%
54040	ENGINEER-APPLICATION PROCESSIN	0.00	0.00	500.00	100.00)%
54050	BLDG.INSP-APPLICATION PROCESSI	100.00	27,507.03	10,000.00	175.07)%
54100	ANIMAL LICENSE FEES	10.00	80.00	100.00	(20.00)%
54130	FARMERS MARKET BUSINESS LICENS	0.00	30.00	0.00	0.00)%
54150	BUSINESS LICENSE TAX	90.00	7,911.00	7,500.00	5.48)%
54300	ENCROACHMENT PERMIT FEES	0.00	50.00	400.00	(87.50)%
56150	FRANCHISE FEES	12,944.98	12,944.98	0.00	0.00)%
56400	RENT - VERIZON	1,680.68	10,084.08	19,620.00	(48.60)%
56500	RENT - HARBOR LEASE	0.00	5,000.00	5,000.00	0.00)%
56600	RENT - OTHER TENNIS COURT	0.00	50.00	0.00	0.00)%
56650	RENT - SUDDENLINK	0.00	1,977.66	4,200.00	(52.91)%
56700	RENT - TOWN HALL	1,295.00	7,285.00	8,500.00	(14.29)%
56800	RENT - MISC	0.00	0.00	500.00	100.00)%
59999	INTERDEPARTMENTAL TRANSFER INC	0.00	0.00	5,000.00	100.00)%
	Total Revenue	<u>67,949.15</u>	<u>236,347.86</u>	<u>465,920.00</u>	<u>(49.27)%</u>

City of Trinidad
Statement of Revenues and Expenditures
201 - GFAdmin
From 12/1/2011 Through 12/31/2011

		Current Month	Year to Date	Total Budget - Original	% of Budget
	Expense				
60900	HONORARIUMS	250.00	1,500.00	3,000.00	50.00%
61000	EMPLOYEE GROSS WAGE	5,886.48	38,085.33	72,615.00	47.55%
61250	OVERTIME	0.00	0.00	1,500.00	100.00%
61470	FRINGE BENEFITS	46.16	300.04	0.00	0.00%
65000	EMPLOYEE TAXES, INSUR & BENEFIT	0.00	0.00	8,746.00	100.00%
65100	DEFERRED RETIREMENT	209.46	1,355.43	0.00	0.00%
65200	MEDICAL INSURANCE AND EXPENSE	419.91	2,258.91	6,384.00	64.62%
65300	WORKMEN'S COMP INSURANCE	0.00	4,485.68	0.00	0.00%
65500	EMPLOYEE MILEAGE REIMBURSEMENT	53.00	434.50	1,200.00	63.79%
65600	PAYROLL TAX	469.01	3,034.52	0.00	0.00%
68090	CRIME BOND	0.00	700.00	0.00	0.00%
68100	FIDELITY BOND	0.00	0.00	770.00	100.00%
68200	INSURANCE - LIABILITY	0.00	5,210.70	10,908.00	52.23%
68300	PROPERTY & CASUALTY	0.00	3,747.60	4,387.00	14.57%
71100	ATTORNEY-MEETINGS	(195.00)	481.50	15,000.00	96.79%
71110	ATTORNEY-ADMINISTRATIVE TASKS	1,097.24	3,102.54	8,000.00	61.22%
71130	ATTORNEY-LITIGATION	322.00	2,786.00	10,000.00	72.14%
71210	CITY ENGINEER-ADMIN. TASKS	395.75	442.25	7,000.00	93.68%
71220	CITY ENG-APPLICATION PROCESS	0.00	0.00	2,000.00	100.00%
71300	CITY PLANNER-MEETINGS	66.00	1,929.00	4,200.00	54.07%
71310	CITY PLANNER-ADMIN. TASKS	1,780.50	8,265.95	7,000.00	(18.09)%
71320	CITY PLANNER-APPL. PROCESS	1,542.00	6,207.00	7,000.00	11.33%
71330	CITY PLANNER-ENFORCEMENT	201.50	201.50	0.00	0.00%
71340	CITY PLANNER - SPECIAL PROJECT	720.00	2,622.00	20,000.00	86.89%
71400	BLDG.INSPECTOR-MEETINGS	351.82	1,211.82	0.00	0.00%
71410	BLDG INSPECTOR-ADMIN TASKS	0.00	4.69	0.00	0.00%
71420	BLDG INSPECTOR-PERMIT PROCESS	(4.50)	14,507.52	5,000.00	(190.15)%
71430	BLDG INSPECTOR-ENFORCEMENT	0.00	90.00	0.00	0.00%
71510	ACCOUNTANT-ADMIN TASKS	398.30	4,395.03	20,000.00	78.02%
71620	AUDITOR-FINANCIAL REPORTS	0.00	0.00	11,913.00	100.00%
72000	CHAMBER OF COMMERCE	0.00	4,000.00	4,500.00	11.11%
72100	BAD DEBTS	34.98	34.98	0.00	0.00%
75110	FINANCIAL ADVISOR/TECH SUPPORT	0.00	45.00	1,200.00	96.25%
75120	WASTE RECYCLING PICKUP/DISPOSAL	1,440.00	1,440.00	0.00	0.00%
75160	LIBRARY RENT & LOCAL CONTRIB.	0.00	0.00	1,500.00	100.00%
75170	RENT	650.00	3,900.00	7,800.00	50.00%
75180	UTILITIES	166.97	1,739.80	4,000.00	56.51%
75190	DUES & MEMBERSHIP	0.00	235.08	1,000.00	76.49%
75200	MUNICIPAL/UPDATE EXPENSE	13.98	2,336.63	7,500.00	68.84%
75220	OFFICE SUPPLIES & EXPENSE	191.30	2,791.90	4,500.00	37.96%
75240	BANK CHARGES	10.00	90.00	0.00	0.00%
75990	MISCELLANEOUS EXPENSE	0.00	0.00	1,900.00	100.00%
76110	TELEPHONE	136.55	948.69	2,500.00	62.05%
76130	CABLE & INTERNET SERVICE	160.95	965.70	2,000.00	51.72%
76150	TRAVEL	0.00	0.00	1,500.00	100.00%
78160	BUILDING REPAIRS & MAINTENANCE	236.22	1,738.16	3,500.00	50.34%
78190	MATERIALS, SUPPLIES & EQUIPMENT	184.07	1,166.66	5,000.00	76.67%
92200	UNREALIZED INVEST. GAINS/LOSSES	1,055.60	4,911.45	0.00	0.00%
	Total Expense	18,290.25	133,703.56	275,023.00	51.38%

City of Trinidad
Statement of Revenues and Expenditures
301 - Police
From 12/1/2011 Through 12/31/2011

		<u>Current Month</u>	<u>Year to Date</u>	<u>Total Budget - Original</u>	<u>% of Budget</u>
	Expense				
61000	EMPLOYEE GROSS WAGE	1,229.57	9,393.93	19,585.00	52.04%
65000	EMPLOYEE TAXES, INSUR & BENEFI	0.00	0.00	2,359.00	100.00%
65300	WORKMEN'S COMP INSURANCE	0.00	603.62	0.00	0.00%
65600	PAYROLL TAX	94.24	719.80	0.00	0.00%
71510	ACCOUNTANT-ADMIN TASKS	341.40	3,767.19	0.00	0.00%
75170	RENT	650.00	3,900.00	7,800.00	50.00%
75180	UTILITIES	187.62	1,105.30	1,200.00	7.89%
75190	DUES & MEMBERSHIP	0.00	122.00	0.00	0.00%
75220	OFFICE SUPPLIES & EXPENSE	0.00	72.60	300.00	75.80%
75300	CONTRACTED SERVICES	0.00	0.00	82,745.00	100.00%
75350	ANIMAL CONTROL	113.00	678.00	1,396.00	51.43%
75990	MISCELLANEOUS EXPENSE	0.00	44.76	0.00	0.00%
76110	TELEPHONE	81.12	482.72	1,800.00	73.18%
78150	VEHICLE REPAIRS	0.00	882.45	0.00	0.00%
78210	Advertising Outreach & Project	0.00	61.50	0.00	0.00%
92100	UNREALIZED GAINS/LOSSES	0.00	(8,815.00)	0.00	0.00%
	Total Expense	<u>2,696.95</u>	<u>13,018.87</u>	<u>117,185.00</u>	<u>88.89%</u>

City of Trinidad
Statement of Revenues and Expenditures
401 - Fire
From 12/1/2011 Through 12/31/2011

		<u>Current Month</u>	<u>Year to Date</u>	<u>Total Budget - Original</u>	<u>% of Budget</u>
	Expense				
60900	HONORARIUMS	150.00	900.00	1,800.00	50.00%
75180	UTILITIES	82.76	2,051.40	800.00	(156.43)%
75190	DUES & MEMBERSHIP	0.00	0.00	10.00	100.00%
75260	BACKGROUNDS / EDUCATION	0.00	0.00	1,000.00	100.00%
75300	CONTRACTED SERVICES	0.00	0.00	175.00	100.00%
76110	TELEPHONE	7.55	29.80	175.00	82.97%
76140	RADIO & DISPATCH	0.00	163.26	0.00	0.00%
78140	VEHICLE FUEL & OIL	68.22	68.22	750.00	90.90%
78150	VEHICLE REPAIRS	0.00	3,715.74	3,000.00	(23.86)%
78160	BUILDING REPAIRS & MAINTENANCE	215.18	1,072.27	500.00	(114.45)%
78190	MATERIALS, SUPPLIES & EQUIPMEN	0.00	6,902.77	7,500.00	7.96%
78200	EQUIPMENT REPAIRS & MAINTENANC	0.00	0.00	1,500.00	100.00%
90000	Capital Reserves	0.00	0.00	50,000.00	100.00%
	Total Expense	<u>523.71</u>	<u>14,903.46</u>	<u>67,210.00</u>	<u>77.83%</u>

City of Trinidad
Statement of Revenues and Expenditures
501 - PW (Public Works)
From 12/1/2011 Through 12/31/2011

		<u>Current Month</u>	<u>Year to Date</u>	<u>Total Budget - Original</u>	<u>% of Budget</u>
Expense					
61000	EMPLOYEE GROSS WAGE	3,204.77	19,796.27	39,180.00	49.47%
61250	OVERTIME	60.84	60.84	3,000.00	97.97%
65000	EMPLOYEE TAXES, INSUR & BENEFIT	0.00	0.00	4,720.00	100.00%
65100	DEFERRED RETIREMENT	156.99	924.19	0.00	0.00%
65200	MEDICAL INSURANCE AND EXPENSE	1,462.56	8,773.17	21,113.00	58.45%
65300	WORKMEN'S COMP INSURANCE	0.00	1,846.76	0.00	0.00%
65600	PAYROLL TAX	262.18	1,588.86	0.00	0.00%
68200	INSURANCE - LIABILITY	0.00	473.70	992.00	52.25%
71210	CITY ENGINEER-ADMIN. TASKS	0.00	3,296.75	0.00	0.00%
71250	CITY ENGINEER - PROJECT FEES	0.00	4,596.25	2,500.00	(83.85)%
71510	ACCOUNTANT-ADMIN TASKS	0.00	0.00	1,100.00	100.00%
75180	UTILITIES	0.00	35.52	0.00	0.00%
75300	CONTRACTED SERVICES	0.00	0.00	1,500.00	100.00%
75370	UNIFORMS/PERSONAL EQUIP.	0.00	81.77	0.00	0.00%
78100	STREET MAINT/REPAIR/SANITATION	0.00	722.43	114,700.00	99.37%
78120	STREET LIGHTING	331.69	1,945.18	4,800.00	59.48%
78125	Street Lighting - Improvements	0.00	0.00	40,000.00	100.00%
78130	TRAIL MAINTENANCE	56.61	96.28	1,000.00	90.37%
78140	VEHICLE FUEL & OIL	310.33	2,151.03	3,000.00	28.30%
78150	VEHICLE REPAIRS	0.00	3,208.69	2,000.00	(60.43)%
78160	BUILDING REPAIRS & MAINTENANCE	0.00	265.07	0.00	0.00%
78190	MATERIALS, SUPPLIES & EQUIPMENTS	239.59	3,552.27	2,500.00	(42.09)%
	Total Expense	<u>6,085.56</u>	<u>53,415.03</u>	<u>242,105.00</u>	<u>77.94%</u>

City of Trinidad
Statement of Revenues and Expenditures
204 - IWM
From 12/1/2011 Through 12/31/2011

		Current Period Actual	Current Year Actual	Total Budget - Original	% of Budget
Revenue					
46000	GRANT INCOME	0.00	5,000.00	5,000.00	0.00%
47600	BLUE BAG SALES	192.00	1,759.00	3,500.00	(49.74)%
47650	RECYCLING REVENUE	0.00	14,840.38	32,000.00	(53.62)%
	Total Revenue	192.00	21,599.38	40,500.00	(46.67)%
Expense					
61000	EMPLOYEE GROSS WAGE	1,032.82	6,638.47	13,265.00	49.95%
61250	OVERTIME	20.28	20.28	0.00	0.00%
65000	EMPLOYEE TAXES, INSUR & BENEFI	0.00	0.00	1,598.00	100.00%
65100	DEFERRED RETIREMENT	86.01	527.82	0.00	0.00%
65200	MEDICAL INSURANCE AND EXPENSE	417.95	2,507.15	6,461.00	61.20%
65300	WORKMEN'S COMP INSURANCE	0.00	591.62	0.00	0.00%
65600	PAYROLL TAX	87.15	549.73	0.00	0.00%
75120	WASTE RECYCLING PICKUP/DISPOSA	0.00	7,040.00	16,000.00	56.00%
75130	GARBAGE	0.00	556.99	0.00	0.00%
75140	BLUE BAG PURCHASES	0.00	1,590.00	3,500.00	54.57%
78100	STREET MAINT/REPAIR/SANITATION	404.95	2,242.49	7,000.00	67.96%
78190	MATERIALS, SUPPLIES & EQUIPMEN	0.00	0.00	1,000.00	100.00%
78210	Advertising Outreach & Project	88.80	88.80	0.00	0.00%
85000	CAPITAL OUTLAY	0.00	4,719.45	4,800.00	1.68%
	Total Expense	2,137.96	27,072.80	53,624.00	49.51%
	Net Income	(1,945.96)	(5,473.42)	(13,124.00)	(58.29)%

City of Trinidad
Statement of Revenues and Expenditures
601 - Water
From 12/1/2011 Through 12/31/2011

		Current Period Actual	Current Year Actual	Total Budget - Original	% of Budget
Revenue					
53020	INTEREST INCOME	0.00	0.00	20,000.00	(100.00)%
53090	OTHER MISCELLANEOUS INCOME	180.00	560.00	1,000.00	(44.00)%
57100	WATER SALES	17,137.21	111,089.75	221,000.00	(49.73)%
57300	NEW WATER HOOK UPS	0.00	0.00	9,000.00	(100.00)%
57500	WATER A/R PENALTIES	1,862.95	8,856.69	6,000.00	47.61%
	Total Revenue	19,180.16	120,506.44	257,000.00	(53.11)%
Expense					
61000	EMPLOYEE GROSS WAGE	6,534.60	41,835.71	83,354.00	49.81%
61250	OVERTIME	101.40	101.40	5,000.00	97.97%
65000	EMPLOYEE TAXES, INSUR & BENEFIT	0.00	0.00	10,040.00	100.00%
65100	DEFERRED RETIREMENT	562.76	3,468.67	0.00	0.00%
65200	MEDICAL INSURANCE AND EXPENSE	2,854.59	17,125.35	43,590.00	60.71%
65300	WORKMEN'S COMP INSURANCE	0.00	3,877.88	0.00	0.00%
65600	PAYROLL TAX	551.08	3,463.67	0.00	0.00%
68200	INSURANCE - LIABILITY	0.00	3,789.60	7,933.00	52.23%
68300	PROPERTY & CASUALTY	0.00	2,498.40	2,925.00	14.58%
71110	ATTORNEY-ADMINISTRATIVE TASKS	201.50	201.50	4,500.00	95.52%
71210	CITY ENGINEER-ADMIN. TASKS	0.00	0.00	43,620.00	100.00%
71230	ENGINEER-SPECIAL PROJECTS	811.50	14,785.50	14,848.00	0.42%
71510	ACCOUNTANT-ADMIN TASKS	398.30	4,395.03	9,000.00	51.17%
71620	AUDITOR-FINANCIAL REPORTS	0.00	0.00	9,000.00	100.00%
75180	UTILITIES	1,711.36	6,738.43	14,000.00	51.87%
75190	DUES & MEMBERSHIP	0.00	236.68	900.00	73.70%
75220	OFFICE SUPPLIES & EXPENSE	492.49	1,463.89	2,000.00	26.81%
75230	INTEREST EXPENSE	182.88	824.16	1,935.00	57.41%
75240	BANK CHARGES	0.00	10.00	0.00	0.00%
75280	TRAINING / EDUCATION	0.00	315.00	0.00	0.00%
75990	MISCELLANEOUS EXPENSE	34.08	34.08	250.00	86.37%
76110	TELEPHONE	63.21	393.67	1,500.00	73.76%
76130	CABLE & INTERNET SERVICE	49.00	294.00	588.00	50.00%
76160	LICENSES & FEES	1,890.00	2,245.01	2,200.00	(2.05)%
78140	VEHICLE FUEL & OIL	105.07	977.24	3,000.00	67.43%
78150	VEHICLE REPAIRS	0.00	1.39	1,500.00	99.91%
78160	BUILDING REPAIRS & MAINTENANCE	0.00	265.07	2,000.00	86.75%
78170	SECURITY SYSTEM	746.80	997.80	276.00	(261.52)%
78190	MATERIALS, SUPPLIES & EQUIPMENT	8.83	4,256.11	5,000.00	14.88%
78200	EQUIPMENT REPAIRS & MAINTENANCE	0.00	280.94	500.00	43.81%
79100	WATER LAB FEES	0.00	1,415.00	5,500.00	74.27%
79120	WATER PLANT CHEMICALS	722.89	4,089.29	16,000.00	74.44%
79130	WATER LINE HOOK-UPS	0.00	0.00	4,000.00	100.00%
79150	WATER LINE REPAIR	0.00	720.00	20,000.00	96.40%
79160	WATER PLANT REPAIR	910.50	910.50	10,000.00	90.89%
	Total Expense	18,932.84	122,010.97	324,959.00	62.45%
	Net Income	247.32	(1,504.53)	(67,959.00)	(97.79)%

City of Trinidad
Statement of Revenues and Expenditures
701 - Cemetery
From 12/1/2011 Through 12/31/2011

		Current Period Actual	Current Year Actual	Total Budget - Original	% of Budget
	Revenue				
53020	INTEREST INCOME	0.00	0.00	3,000.00	(100.00)%
58100	CEMETERY PLOT SALES	100.00	3,600.00	9,000.00	(60.00)%
58150	Cemetery Plot Refunds	0.00	(2,820.00)	0.00	0.00%
	Total Revenue	100.00	780.00	12,000.00	(93.50)%
	Expense				
61000	EMPLOYEE GROSS WAGE	583.74	4,379.45	8,727.00	49.82%
61250	OVERTIME	20.28	20.28	0.00	0.00%
65000	EMPLOYEE TAXES, INSUR & BENEFI	0.00	0.00	1,051.00	100.00%
65100	DEFERRED RETIREMENT	44.08	256.51	0.00	0.00%
65200	MEDICAL INSURANCE AND EXPENSE	352.70	2,115.65	5,184.00	59.19%
65300	WORKMEN'S COMP INSURANCE	0.00	430.44	0.00	0.00%
65600	PAYROLL TAX	57.20	356.04	0.00	0.00%
75300	CONTRACTED SERVICES	0.00	0.00	500.00	100.00%
78180	OTHER REPAIR & MAINTENENCE	0.00	0.00	500.00	100.00%
78190	MATERIALS, SUPPLIES & EQUIPMEN	88.80	88.80	500.00	82.24%
	Total Expense	1,246.80	7,647.17	16,462.00	53.55%
	Net Income	(1,146.80)	(6,867.17)	(4,462.00)	53.90%



DISCUSSION AGENDA ITEM 3

SUPPORTING DOCUMENTATION FOLLOWS WITH: 1 PAGES

3. Discussion/Decision to reconsider Event Host requirement for Town Hall events. *(continued from Feb.)*

DISCUSSION AGENDA ITEM

Date: February 08, 2012

Item: Reconsider decision to hire "Event Host(s)" for Town Hall event supervision.

Background Info:

At the November 10 regular meeting, the Council decided on a number of amendments/upgrades to the Town Hall Rental Agreement policies and procedures. Fees were adjusted, a fee component to establish a maintenance reserve fund was incorporated, rental rates for Saunders Park reservations were determined, and city staff was directed to implement the service of Event Host for parties with attendance over 100 or where alcohol was to be served.

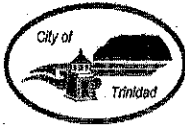
Rental Agreement procedures and rate adjustments have been implemented and initiated. However, after much review, consideration and discussion, and preparation of a draft detailed job description, city staff requests that the Council reconsider the decision to hire an Event Host for a variety of reasons, including:

- The position will likely require multiple employees to provide adequate coverage throughout the busiest months. Hiring, coordinating, training and supervising multiple employees (contract or payroll) is time consuming and riddled with potential for last minute problems. In addition, should regular city staff need to substitute due to unavailability of event host, an overtime situation would occur which would require appropriate overtime compensation.
- Tenants who pay for an event host will likely expect more from services from the City. No matter how clear the explanation is to the tenant what the Event Host is there to do, larger events can be hectic and tenants will rely on or insist that the Host be readily available for chores that are not their responsibility. Conflict may arise from the expectations, and drag the Host's supervisors into unnecessary disagreements with the tenant following the event.
- The City's Rental Agreement and Policies are comprehensive. They are designed to protect the City from tenant caused accidents, and cover expenses related to damages (major or minor) to the facility. If implemented properly, event safety and security is built in to the process.
- Until City staff is equipped with the time to manage and coordinate pool of Event Host employees to consistently attend every event, it is best to either postpone the decision to recruit Hosts or rescind the decision all together.

Staff is certainly open to discussion on this issue, but at this time suggests that the current Policies and Procedures adequately suit the City's needs.

Proposed action: *Reconsider hiring an Event Host for tenant users of the Town Hall with attendance over 100, and proceed with implementation of the November 2011 updated Rental Agreement and Policies.*

Attachments: None.



DISCUSSION AGENDA ITEM 4

SUPPORTING DOCUMENTATION FOLLOWS WITH: 0 PAGES

4. Discussion regarding consideration of Sales Tax Rate Extension.



DISCUSSION AGENDA ITEM 5

SUPPORTING DOCUMENTATION FOLLOWS WITH: 2 PAGES

5. Discussion/Decision regarding Tribal Membership on HCAOG Board.

Agenda Report – 02/23/12**HCAOG BOARD MEMBERSHIP**

On February 7th, the HCAOG Board subcommittee, formed at the January 26th Board meeting, met to discuss expanding membership of the HCAOG Board. The subcommittee has presented the following timeline for consideration:

Feb – April: *Gathering Information through 8 Questions / Sharing and Discussing Information Gathered / Determining if Additional Information is Desired.*

- February Meeting– Timeline proposal and questions in packet
- February Meeting – Discussion of committee's proposed questions and timeline.
- February Meeting – Approval of Board to accept timeline, questions and steps proposed.
- February & March – HCAOG Board Members discuss questions with their individual City Council, City Manager, City Staff, etc. as needed to answer questions below.
- HCAOG Chair speaks at Tribal Chairman Meeting (March or April) about timeline for HCAOG to make a decision on the request for membership.
- April 5 – deadline to email responses to questions to HCAOG Office.
- April Meeting – Answers from/for all in Board packet.
- April Meeting Agenda Item – Board discussion and decision on which question responses need answered, by whom and in what form?

May-June: *Answering Board Member Questions*

- May & June meetings– Questions answered (various formats)

August: *Defining the Criteria for Membership*

- July - August Meeting Agenda Item- Formulating HCAOG membership criteria regarding Tribal representation.

October: *Decision by HCAOG Board*

- October Meeting Agenda Item -Vote

The subcommittee has developed the following eight questions for discussion and consideration. They have requested that, each Board member discuss these questions with their individual city and county representatives provide answers to these questions by April 5th for Board discussion at the April meeting.

1. What are the opportunities you see in bringing Tribal representation to the HCAOG Board of Directors?
2. Which of these do you find to be the most beneficial?
3. What concerns do you have?

4. Which of these do you find to be the most disadvantageous?
5. Do you have additional questions you would like answered before voting on this item?
6. Who do you think you need to hear from in order to answer any questions you may have?
7. What form would you like to receive this information in - written document, public presentation, workshop, 1-page summary, diagrams, etc.?
8. Any additional thoughts you'd like to add?

Staff Recommended Action: Review, discuss and assess the timeline and proposed questions. By motion, approve to accept the timeline, questions and steps proposed. Direct staff to send final questions to each member by email with a return response request of April 5th.